

# **USAID/CROATIA**

## **RESULTS REVIEW AND RESOURCE REQUEST (R4)**

**April 2001**

***Please Note:***

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USAID Development Experience Clearinghouse  
1611 N. Kent Street, Suite 200  
Arlington, VA 22209-2111  
Telephone: 703/351-4006 Ext. 106  
Fax: 703/351-4039  
Email: [docorder@dec.cdie.org](mailto:docorder@dec.cdie.org)  
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**U. S. AGENCY FOR INTERNATIONAL DEVELOPMENT**  
**Embassy of the United States of America**  
**Phone: (385) 1 4811 977 - Fax: (385) 1 4816 143**  
**Zagreb, Croatia**

# *MEMORANDUM*

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**To:** Linda Morse, Acting Assistant Administrator / E&E

**From:** Pamela Baldwin, Mission Director, USAID/Croatia

**Date:** April 16, 2001

**Subject:** USAID/Croatia FY 2003 Submission

FY 2000 has been a transitional year for Croatia and the USAID Mission. The R4 we are submitting today is the first to describe the full impact of the political changes that occurred in early 2000 with the election of a new reform-minded government. The new Government of Croatia's (GOC's) cooperative stance on economic and democratic reform has provided USAID the opportunity to deepen its commitment to the Croatian transition and develop an entirely new economic portfolio, as well as, new governance programs, new approaches to the refugee return effort, and a completely new strategic objective, addressing the social conditions of the Croatian people.

During this reporting period, USAID/Croatia developed a new five-year Strategic Plan to reflect the positive changes occurring in Croatia. This new strategy, recently approved by USAID/Washington, lays out an ambitious economic program encompassing nearly 39% of the Mission's current-year \$44 million program. These resources are aimed at assisting the GOC to improve its internal fiscal control systems, privatize financially burdensome state-owned industries, improve the soundness of Croatia's banking sector, restructure the energy sector, create a business-friendly legal and regulatory environment through technical assistance to the commercial courts, and strengthen the capacity of private enterprise to operate in an open and competitive market. Of particular note is the new Croatian Competitive Initiative through which Croatian business leaders will engage in structured dialogue with the Government to address regulatory and bureaucratic barriers to investment and business growth.

USAID/Croatia's democracy portfolio played a pivotal role in the political changes that came about in early 2000. With USAID assistance, Croatian civil society and independent media organizations have become stronger and more effective in campaigning and advocating policy changes and holding government accountable. Under the new strategy, USAID's focus is to help these organizations move toward sustainability. USAID/Croatia's new civil society initiative seeks to build financial capacity of local organizations. Further assistance to independent media will focus on managing media as a commercial enterprise. In addition to these ongoing efforts, USAID has launched a new local government reform project (LGRP) to develop best practices at the local level. The LGRP will play a leading role in preparing local governments to take on new responsibilities as the central government begins to decentralize authorities and fiscal responsibilities.

USAID's refugee return program has contributed to the return of over 150,000 refugees and displaced persons. USAID assistance in infrastructure reconstruction is ongoing. In response to the GOC's increased cooperation and commitment to the return of refugees, USAID/Croatia has launched a new Economic and Community Revitalization Activity (ECRA), aimed at stimulating economic growth in the war-affected areas in order to encourage return of economically active refugees to the pre-war domiciles. The program will benefit both refugees and the overall population residing in targeted municipalities.

The description and results framework of USAID's newest Strategic Objective 3.4 – *Mitigation of Adverse Social Conditions and Trends* – is attached as an annex to this year's R4. The concept and overview of this SO was accepted with the final approval of the Mission's new strategic plan. USAID will undertake modest and careful interventions including public education on pension reform and support to the tripartite council on economic and social issues, particularly regarding labor markets. This effort will reinforce the GOC's effort to engage unions and employers on several issues including labor code reform, wage policy, job creation, competitiveness, and productivity.

As most of the new programs laid out in the new strategy are at their initiation stage, it is too early to gauge results at the time of this R4 submission. However, the Mission has submitted relevant results in this R4 based on the previous strategy. A new Performance Monitoring Plan (PMP) will be developed in the coming months, solidifying new measurable indicators and targets based on the Mission's new five-year strategic plan. These new indicators and targets will be submitted in next year's R4 submission.

USAID/Croatia appreciates the support and resources now flowing to Croatia from USAID/Washington and the US Congress, based on Croatia's potential as a key player in bringing stability and peace to Southeast Europe. By working with our development partners, we intend to produce the results that justify the confidence Croatia has earned through its courageous start on democratic and economic reforms.

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## Glossary

ABA/CEELI	American Bar Association/Central and Eastern European Legal Initiative
ACILS	American Center for International Labor Solidarity
ADF	America Development Foundation
AED	Academy for Educational Development
AIT	Association for Independent Television
BiH	Bosnia and Herzegovina
CSO	Civil Society Organizations
Delphi/STAR	Delphi/Strategies, Training and Advocacy for Reconciliation project
DOS	Dalmatia Solidarity Council
DP's	Displaced persons
EA	Environmental Assessment
EU-POP	European Union Reconstruction Programme for Return
FLAG	Firm Level Assistance Group
FRY	Federal Republic of Yugoslavia
GLAS '99	Literally "Voice '99"
GOC	Government of Croatia
GONG	Citizens Organized to Monitor Elections
GOTV	Get out the Vote
HDZ	Croatian Democratic Union
HRT	Croatian Radio & Television
ICNL	International Center for Not-for-Profit Law
IEE	Initial Environmental Assessment
IFI	International Financial Institutions.
IMF	International Monetary Fund
IOM	International Organization for Migration
IR	Intermediate Results
IREX	International Research and Exchange Board
IRI	International Republican Institute
LGP	Local Government Program
MP	Member of Parliament
NDI	National Democratic Institute
NGO	Non governmental organizations
NOA	Saving and Loan Cooperative "NOA"
ODPR	Office of Displaced Persons and Refugees
OI	Opportunity International
OSCE	Organization for Security and Cooperation in Europe
OTI	Office of Transition Initiatives
PRM	Populations Refugees and Migration program
PTG	Proposed Transition Grant
RAP	Return Assistance Program
RFA	Request for Assistance
RS	Republika Srpska

SDF	Serb Democratic Forum
SEAF	Small Enterprise Assistance Funds
UATUC	Union of Autonomous Trade Unions of Croatia
UNHCR	United Nations High Commissioner for Refugees
USG	U.S. Government
WL	World Learning
WTO	World Trade Organization

## **R4 Part I Overview and Factors Affecting Program Performance**

Croatia's journey to modern democratic nationhood and full participation in the global economy began in earnest in early 2000, after a decade of conflict and political misrule. When President Tudjman died in December 1999, the forces of popular opposition to his policies were already well on the way to electing a reform-minded Parliament and coalition Government in January 2000, followed by the election of Stipe Mesic, leader of a relatively small opposition party, to the Presidency. Mesic's appeal was based on his promise to lead Croatia in an entirely new direction.

The U.S. Government's foreign policy objective for Croatia, set forth in the U.S. Mission Performance Plan (MPP), is to ensure that Croatia continues to take the necessary steps to take its place within the community of democratic nations, and to become a force for stability, peace and cooperation throughout Southeast Europe. The MPP sets four objectives that comprise the approach necessary to achieve this goal: (1) full implementation of the Dayton and Erdut Agreements; (2) transition to a free-market economy; (3) increased domestic and regional stability; and (4) integration into Euro-Atlantic institutions.

Croatia has strong potential to become a model for the rest of the troubled Balkans and contribute to European security and prosperity on which America's own security and prosperity depend. Stronger economic and political institutions and social stability in Croatia will further stability throughout the region.

USAID assistance to Croatia began on a modest level in 1992, focusing initially on humanitarian assistance to the war-affected population. After the Government of Croatia signed the Dayton Peace Accords (December 1995) and the Erdut Agreement (November 1995), USAID undertook a five-year Strategy focusing on return and reintegration of war-affected populations, financial sector reform and strengthening of political processes and civil society. Work in financial sector reform was suspended in 1997 following an assessment that showed a lack of political will for reform on the part of the Tudjman Government. Assistance activities from that time until the 2000 elections focused almost exclusively on strengthening democratic political parties, labor unions and non-governmental organizations as well as independent media and local government, avoiding direct support to the Tudjman Government. During the 1997-99 period, USAID's aims were to strengthen civil society and to support the return and reintegration of war-affected people. Progress was made in these areas, and USAID assistance is credited with promoting free and fair elections in early 2000 through its strong and effective support to political party strengthening, citizen election monitoring and information dissemination through a strengthened independent media.

The coalition Government elected in early 2000 has made substantial progress in reversing the nationalist and authoritarian policies of the previous Croatian Democratic Union (HDZ) Government. In a remarkably decisive step for a six-party coalition, the Government and the new President moved very quickly to commit Croatia to cooperation with the International Criminal Tribunal for former Yugoslavia (ICTY) and to dramatically reduce costly support for ethnic Croats in Bosnia and Herzegovina (BiH) that had destabilized BiH sovereignty and cost Croatia millions of dollars annually. As a result, bilateral donors and IFIs have come forward



with expanded resources, and Croatia joined the NATO Partnership for Peace and the World Trade Organization in 2000. Soon after the elections, the EU formed a European Union Task Force for integration of Croatia into Europe. A Stabilization and Association Agreement with the EU is expected to be signed in 2001.

After a very difficult year in 1999, the Croatian economy expanded modestly in 2000 with real GDP growth of 3.7%, compared with -0.4% a year earlier. Industrial production, retail trade and a healthy recovery in the tourism sector all contributed to GDP growth in 2000. Retail price inflation increased from 4.2% in 1999 to 6.2% in 2000, influenced by the rise in world oil prices. The Government's fiscal deficit continued to be a major concern at 7% of GDP, but the Government made significant commitments to reduce public expenditure in 2001 and succeeded in negotiating a \$255 million IMF Standby Agreement on the strength of this commitment. Although the Government's stated intention is not to draw down the IMF credit line, the Standby should significantly boost investor confidence and the country's overall financial standing. A \$200 million World Bank Structural Adjustment Loan is also in the early stages of negotiation, with a number of preconditions to be met during 2001.

Foreign direct investment continues to lag, with delays in the privatization of strategic industries and a near-total absence of Greenfield investment. Impediments to business development are also constraining domestic investment. Unemployment and a low rate of job creation are Croatia's most serious economic problems at present, with the official jobless rate exceeding 22% at the end of 2000. Even accounting for the hidden employment of the gray economy, Croatia's biggest challenge is to generate jobs at a rate that will absorb new labor force entrants and stem the brain drain of skilled youth, while also absorbing workers made redundant by restructuring and privatization.

USAID's program of assistance to Croatia expanded significantly in both breadth and depth during calendar year 2000. From programs aimed only at improving political processes, strengthening civil society and reintegrating war-affected populations, USAID broadened its focus and developed a new portfolio of activities that now includes significant economic reform and social transition activities. These changes were formalized in a new Strategic Plan for 2001-2005, which was approved by USAID/Washington in January 2001. The new five-year Strategy programs SEED funds to achieve four Strategic Objectives (SOs):

SO 1.3: Growth of a dynamic, competitive private sector;

SO 2.1: Increased citizen participation and improved governance;

SO 3.1: Accelerated return and sustainable reintegration of war-affected populations; and

SO 3.4: Mitigation of adverse social conditions and trends.

## **FY 2002 - 2003 Program.**

The economic reform activities in Croatia during FY 2002 and 2003 will accelerate as new or follow-on initiatives addressing privatization, enterprise development, international competitiveness, energy restructuring, banking supervision and commercial law reform are launched.

USAID's democratization efforts will continue to support civil society organizations, independent media, political parties, fiscal and administrative decentralization, local government capacity building and judicial reform.

USAID/Croatia will continue its return and reintegration program through the reconstruction of war-damaged infrastructure, economic revitalization, community reintegration, support for cross-border returns, legal assistance to returnees and the facilitation of private-sector solutions to housing repair and reconstruction.

A new social transition program will address pension reform, strengthening democratic labor organizations, improving "tripartite" dialogue on social issues among labor, business and government, community-based health care, and targeted safety nets for vulnerable groups not currently served

## SO Text for SO: 160-013

Country/Organization: USAID Croatia

Objective ID: 160-013

Objective Name: Growth of a Dynamic and Competitive Private Sector

Self Assessment: Annual Performance Unavailable

Primary Links to Agency Strategic Framework: **(Please Assign Percentages, Total Equals 100):**

80% 1.1 Critical private markets expanded and strengthened  
0% 1.2 More rapid and enhanced agricultural development and food security encouraged  
0% 1.3 Access to economic opportunity for the rural and urban poor expanded and made more equitable  
0% 2.1 Rule of law and respect for human rights of women as well as men strengthened  
0% 2.2 Credible and competitive political processes encouraged  
0% 2.3 The development of politically active civil society promoted  
20% 2.4 More transparent and accountable government institutions encouraged  
0% 3.1 Access to quality basic education for under-served populations, especially for girls and women, expanded  
0% 3.2 The contribution of host-country institutions of higher education to sustainable development increased  
0% 4.1 Unintended and mistimed pregnancies reduced  
0% 4.2 Infant and child health and nutrition improved and infant and child mortality reduced  
0% 4.3 Deaths, nutrition insecurity, and adverse health outcomes to women as a result of pregnancy and childbirth reduced  
0% 4.4 HIV transmission and the impact of the HIV/AIDS pandemic in developing countries reduced  
0% 4.5 The threat of infectious diseases of major public health importance reduced  
0% 5.1 Threat of global climate change reduced  
0% 5.2 Biological diversity conserved  
0% 5.3 Sustainable urbanization including pollution management promoted  
0% 5.4 Use of environmentally sound energy services increased  
0% 5.5 Sustainable management of natural resources increased  
0% 6.1 Urgent needs in times of crisis met  
0% 6.2 Personal security and basic institutions to meet critical intermediate needs and protect human rights re-established

Link to U.S. National Interests: National Security

Primary Link to MPP Goals: Economic Development

Secondary Link to MPP Goals (optional): Regional Stability

(Page limitations for narrative begin here):

Summary of the SO:

USAID/Croatia's assistance in the economic sector originally fell under Strategic Objective 1.4. Assistance under this SO was suspended in 1998 due to unwillingness on the part of the GOC to move towards economic reform and fulfill its commitment to the Dayton Accords, namely cooperation with the International Criminal Tribunal for Yugoslavia (ICTY). With the change in government in early 2000, USAID moved quickly to provide assistance to support the new government's economic reform agenda. Initially organized around two SOs - SO 1.2 and SO 1.3 - for the R4 approved in April 2000, and based on assessments performed early in the year,

initiatives were launched in May in high priority areas (i.e. commercial law, fiscal reform and privatization), and the frozen bank supervision activity was restarted. Later in the year new initiatives were begun in pension reform, and an economic advisor was provided to the Deputy Prime Minister. Various new activities (e.g. an SME development program; a competitiveness initiative, expanded privatization activities) are still in the conceptualization, design, or contracting process.

The new five-year strategy approved in January, 2001 refocuses the mission's economic portfolio under the new SO 1.3 "Growth of a Dynamic and Competitive Private Sector". Given that new activities under the still-evolving SO 1.3 only began to be mobilized late in the reporting period, an Operating Unit self-assessment of the performance of this SO is unavailable.

Under an overarching theme of competitiveness, the new SO will support macroeconomic and structural reforms to improve the enabling environment for private sector growth. At the same time, the work in SO 1.3 will pursue interventions to help businesses acquire the skills, tools and services needed for them to succeed in increasingly competitive local, regional and global markets.

The principal Intermediate Results necessary to achieve the recently-approved SO 1.3 are identified as: (1) Competitive, Transparent Privatization of State Owned Enterprises; (2) Strengthened Capacity of SMEs to Operate and Compete; and (3) Improved Investment Climate. A Performance Monitoring Plan (PMP) that will establish indicators and targets at all levels will be developed in the coming months.

#### Key Results:

Performance data tables are not included with this results report because assistance under the eliminated SO 1.4 had been suspended since 1998 and a PMP with indicators and targets for the new SO 1.3 has not yet been established.

#### Performance and Prospects:

Although the new government's commitment to reform remains strong, after one year in office it has become clear that the political difficulties inherent in holding together a six-party ruling coalition has made carrying through on that commitment difficult. Notwithstanding those political pressures, USAID assistance has facilitated good progress even in the short time period that new programs have been operating in the areas of fiscal reform, privatization, and commercial law. Prospects are good for continuing progress for the request period in these areas as well as in new program activities yet to be mobilized.

USAID assistance to the Ministry of Finance was key to the January 1, 2001 implementation of the new computerized integrated financial management system, a major achievement in fiscal reform and a conditionality for a new IMF Standby Arrangement. The new system provides critically needed accountability, control and transparency over the entire fiscal process. The USAID advisor assigned by the Ministry of Finance (MOF) to spearhead implementation of the system coordinated the efforts of multiple departments within the Ministry and among all the other line-ministries to ensure the system was simultaneously implemented government-wide as scheduled. Continued assistance to the MOF will be provided as a single treasury account is

established; cash and debt management functions are activated; and accountability is established within the system for extrabudgetary funds, per IMF conditionalities.

The Croatian Privatization Fund's (CPF) ability to operate effectively and transparently has improved substantially with USAID assistance over the reporting period. The new Croatian Government has given every indication of a firm commitment to rapidly privatizing the remaining assets in the CPF portfolio. While competing political parties have jostled in the press over privatization of a few specific assets, the CPF has remained transparent and conducted itself well. In addition to the hundreds of enterprises with minority state ownership that have been successfully offered and sold on the Varazdin stock exchange, at least twelve major firms, including some particularly attractive tourist hotels, have been offered through a transparent tendering process in which foreign investors have participated. The coming months will see a major new initiative to privatize, through an open tender process, the entire remaining tourism portfolio. The first batch of tourism properties consists of more than 60 ownership interests in over 200 individual properties. Stretched to their limits, the CPF will certainly require continued assistance over the next 18-24 months to complete their objectives to sell off hundreds of remaining enterprises.

In the Commercial Law Reform arena, USAID's assistance currently focuses on the land registry and judicial administration as well as initiating the discourse related to the legal and regulatory requirement of a collateral registry in Croatia. USAID assistance has helped to simplify procedures and process within the Zagreb Land Registry, subsequently eliminating the backlog of cases for calendar year 2000. Progress toward eliminating the huge backlog from prior years has begun with the institutionalization of these redesigned processes and procedures. The Registry has also become more transparent and open in its operations and customer interface section. A public education campaign developed permanent and sustainable materials, including brochures, checklists and announcements, which clearly explain the registration process and fees to consumers. These reforms are critical to future foreign investment and business development, as secure property titles are essential economic assets.

In response to requests from the Ministry of Economy (MOE), the Energy Institute and the Croatian Electricity Company (HEP), USAID is assisting these entities as they develop legislation and an action plan for the unbundling and eventual privatization of HEP, and the establishment of an independent regulatory authority and a competitive regional power market. USAID advisors recently completed a review of the four major new laws governing the power sector. The vast majority of the advisors' recommendations were adopted by the MOE which has indicated that the advisors' comments will form the basis of the presentation of the draft laws to the Parliament. The current versions of the draft laws make great strides in creating a modern, competitive sector with a competent and autonomous regulatory body. Next steps include USAID assistance in drafting the charter and secondary legislation for the new regulatory agency in addition to a longer term institutional capacity building within the agency itself. These reforms are essential prerequisites to successful implementation of the SE Europe regional power market, a Stability Pact objective also being assisted by USAID/Washington.

In the financial sector, a program of bank supervision assistance to the National Bank of Croatia (NBC) was recently reactivated after being frozen in 1997. Up until the program was suspended,

good progress had been made toward increasing the capacity of the National Bank of Croatia to supervise individual commercial banks based on risk. USAID assistance has led to an improved legal and regulatory framework, providing the central bank with adequate authority to enforce prudential laws and regulations. Additionally, on-site and off-site supervision capacity of National Bank staff was strengthened through intensive training to ensure they had the necessary skills to provide oversight of the commercial banking sector. Recent technical assistance has focused on drafting a comprehensive off-site supervision manual of policies and procedures, as well as additional specialized training in high priority areas.

#### Possible Adjustments to Plans:

As noted, the portfolio of activities under this SO is still evolving. Plans call for two new and closely linked initiatives that will focus on increasing the competitiveness of Croatia and its businesses in the global economy. The Croatia Competitiveness Initiative will bring together key private sector and government leaders to focus on a joint action agenda for policy reforms to remove barriers to foreign and domestic investment. Many of the administrative barriers were highlighted in a recent analysis co-financed by USAID and the World Bank, and carried out by the Bank's Foreign Investment Advisory Service (FIAS). On a more micro level, the private sector leadership in specific economic sectors (e.g. tourism, technology and agricultural processing) will be brought together in "industry clusters" to jointly sponsor initiatives designed to increase the competitiveness of those clusters. At the same time, a new SME development activity will attempt to improve business management to meet competitive international standards by strengthening the capacity for private sector business service providers to develop and market quality products.

A new long-term Commercial Law program, currently in the contracting process, will build on the successful work in the areas of land registry, company registry and collateral registry performed under the short-term activity that is coming to an end. A major new focus of the new contract will be assistance to four Commercial Courts to try to improve court processes and procedures, thereby alleviating the severe bottlenecks of commercial cases, which serves as a major impediment to business development. The commercial court component of this new activity is a joint activity with the World Bank. The Bank will provide the funding for the necessary information technology upgrades in the courts with USAID providing the technical assistance for the intensive process redesign that must come before any automation solutions can be implemented.

The new long-term Privatization program, again to replace the short-term activity that was put in place in January 2000 to respond to immediate needs of the new government, will include a new component involving privatization in the agricultural sector. Responding to a request from the Ministry of Agriculture, USAID will provide technical assistance to the Ministry to help carry out their ongoing efforts to restructure and privatize some of the large remaining state-owned agricultural production and processing enterprises. USAID's initiative will complement the EBRD's ongoing efforts in this area.

#### Other Donor Programs:

USAID is coordinating its economic sector assistance with the World Bank, the International Monetary Fund (IMF), the European Bank for Reconstruction and Development (EBRD), the

Foreign Investment Advisory Service (FIAS), the European Union (EU), and the British Know How Fund (DFID).

Major Contractors and Grantees:

Barents, Booz Allen and Hamilton, Carana Corporation, Pierce Atwood

## SO Text for SO: 160-021 More Effective Citizen Participation Improved Governance

Country/Organization: USAID Croatia

Objective ID: 160-021

Objective Name: More Effective Citizen Participation Improved Governance

Self Assessment: Exceeding Expectations

Primary Links to Agency Strategic Framework: **(Please Assign Percentages, Total Equals 100):**

0% 1.1 Critical private markets expanded and strengthened  
0% 1.2 More rapid and enhanced agricultural development and food security encouraged  
0% 1.3 Access to economic opportunity for the rural and urban poor expanded and made more equitable  
20% 2.1 Rule of law and respect for human rights of women as well as men strengthened  
10% 2.2 Credible and competitive political processes encouraged  
50% 2.3 The development of politically active civil society promoted  
20% 2.4 More transparent and accountable government institutions encouraged  
0% 3.1 Access to quality basic education for under-served populations, especially for girls and women, expanded  
0% 3.2 The contribution of host-country institutions of higher education to sustainable development increased  
0% 4.1 Unintended and mistimed pregnancies reduced  
0% 4.2 Infant and child health and nutrition improved and infant and child mortality reduced  
0% 4.3 Deaths, nutrition insecurity, and adverse health outcomes to women as a result of pregnancy and childbirth reduced  
0% 4.4 HIV transmission and the impact of the HIV/AIDS pandemic in developing countries reduced  
0% 4.5 The threat of infectious diseases of major public health importance reduced  
0% 5.1 Threat of global climate change reduced  
0% 5.2 Biological diversity conserved  
0% 5.3 Sustainable urbanization including pollution management promoted  
0% 5.4 Use of environmentally sound energy services increased  
0% 5.5 Sustainable management of natural resources increased  
0% 6.1 Urgent needs in times of crisis met  
0% 6.2 Personal security and basic institutions to meet critical intermediate needs and protect human rights re-established

Link to U.S. National Interests: National Security

Primary Link to MPP Goals: Regional Stability

Secondary Link to MPP Goals (optional): Democracy and Human Rights

(Page limitations for narrative begin here):

Summary of the SO:

Through FY 2000, USAID assistance under S.O. 2.1 Increased better informed citizens' participation in political processes, sought to foster democratization in Croatia through a better-informed and politically involved citizenry. This strategic objective was significantly advanced in the events surrounding the 2000 parliamentary and presidential elections. Three intermediate



results have contributed to achieving this objective: increased capacity of civil society organizations, more representative composition of national and local governments, and more diverse and independent sources of public information through independent media.

Following the watershed national elections of January and February 2000, USAID began to develop and put in place its strategy for 2001-2005. Under this strategy, S.O. 2.1 will include new and significant emphasis on improved governance. In FY 2001, S.O. 2.1 will complete the elaboration of the new democracy and governance strategic framework and propose new performance indicators for inclusion in USAID/Croatia's Performance Monitoring Plan.

#### Key Results:

USAID's work with political parties, labor unions, nongovernmental organizations (NGOs), and independent media made a major contribution to free and fair parliamentary and presidential elections in January and February 2000, placing in office a government of reform. However, the Freedom House democracy indexes for 1999-2000 do not yet illustrate the significant results from the recent political changes in Croatia. (The Freedom House index is a compilation of ratings for various factors contributing to political freedom, from elections and political processes to human rights and individual freedoms.)

Croatia's civil society organizations played a pivotal role in the outcome of the elections through a highly-visible get-out-the-vote campaign led by Glas -99, a broad coalition of 140 civil society organizations, and the NGO GONG (Citizens Organized to Monitor Elections), which mobilized over 7,000 Croatian volunteer monitors to guarantee the freedom and fairness of those elections. A score of 3.5 in civil society (no change) reflects the slow pace of legislative changes needed to further foster and support a civil society sector, although the government is in the process of making those changes.

USAID programs resulted in a more representative composition of the national government, and more diverse and independent sources of public information through independent media. However, Croatia scored 4.25 in political processes (no change) and scored 4.75 in the independent media sector (very modest improvement). The media score speaks to the unwillingness thus far of the new Croatian government to release state-run media from its grasp.

#### Performance and Prospects:

Progress toward achieving this SO has exceeded expectations. Changes that took place in Croatia in early 2000 were dramatic: the introduction of new sources of independent media information, the emergence of a dynamic, politically engaged NGOs sector, and the accession of a new reform-minded government through democratic elections. There were direct links between the change in Croatian government and U.S. Government assistance efforts in democracy and governance. The President of the Republic of Croatia, the U.S. Secretary of State, and observers of Croatian affairs have acknowledged USAID's contribution to democratic change. The long-term prospects for Croatia's democratic development in the future are excellent but much work remains to be accomplished.

The legacy of autocratic socialism continues to have an impact on the media, judicial and local government and will take many years to reverse. Following the resounding defeat of the former regime, USAID began to shift its democracy assistance to strengthening Croatia's fledgling

democratic institutions. In the area of political processes, USAID began work with parliamentarians to develop and improve their stature as policy makers and effective representatives of their constituents' interests. With USAID assistance, independent media partners remain solvent despite a weakening economy; work continues in promoting sound management for commercial media and improved journalism standards. Civil society organizations continue to address the challenge of redefining legislation and building upon the assistance provided in the past. Political changes in Croatia have also enabled USAID to embark on new projects in local government development and judicial reform, encouraged and supported by the new Government of Croatia (GOC).

Civil society's next challenge is to anchor and facilitate democratic and economic reforms. In order to promote the long-term growth and sustainability of local NGOs, USAID established three regional NGO support centers in Rijeka, Split, and Osijek, and assisted in forming three independent non-profit training organizations that are now providing effective locally led training to many Croatian NGOs. USAID played a key role in improving the legal environment of the Croatian non-profit sector by providing an assessment and recommendations on the draft Law on Associations. These recommendations were included in the draft Law, which should be passed by the Croatian Parliament in mid-2001. In order to improve the legal capacity of the Croatian NGO sector, USAID provided third-country and ongoing training to a cadre of lawyers specializing in non-profit law.

USAID will put a new civil society program in place in FY 2001 that will: 1) build CSO financial and organizational capacity, strengthen the "infrastructure" of resource organizations, and promote indigenous philanthropy at the national and local level; and 2) provide small grants to grassroots CSOs to carry out projects that benefit local communities. This activity will complement the Mission's new Economic and Community Revitalization Activity (ECRA) under SO 3.1. The war-affected areas will be included in the country-wide small grants program for grassroots NGOs under the new civil society program. These grants may also support programs to develop local solutions to unemployment, and issue that crosscuts other sectors of the Mission's portfolio including the economic (SO 1.3) and social transitions (SO 3.4).

The American Center for International Labor Solidarity (the Solidarity Center) assisted Croatian unions to establish cooperation with political parties and NGOs. Active union participation with Glas-99 was a key factor in achieving record voter turnout in the 2000 national elections. The Solidarity Center's program has enabled unions to create their own training programs on collective bargaining, organizing and activating membership, internal democracy, labor monitoring, media relations and promoting the role of women in union organizations. Training programs have begun to raise the unions' capacity to participate in dialogues with government and employers on economic restructuring and social/economic reforms including reform of the pension fund. The Solidarity Center has also established inter-union cooperation through the Trade Union Advisory Committee, which is the only regular body where competing unions meet to discuss common problems and coordinated solutions.

In the period leading up to parliamentary and presidential elections, USAID's implementing partners in political processes, International Republican Institute (IRI) and National Democratic Institute (NDI), worked to provide legitimate public opinion information, support broad-based

coalitions, and promote grass roots voter education initiatives. These efforts resulted in a national government that enjoys broad popular support one year following the elections. NDI is providing political party training in the run-up to nationwide local elections on May 20, 2001; it is hoped that these elections will result in local governments that more accurately reflect voters' interests and preferences.

To assist the Government of Croatia in mobilizing support for reforms, IRI's post-election program provided external and internal communications training for government officials and their staffs based on cutting-edge public opinion research. In March 2000, NDI launched a Parliamentary Program to provide Members of Parliament (MPs), over 60 percent of whom are serving in Parliament for the first-time, with training and consultations on key topics such as caucus organization and strategy; coalition management; effective committee work; and public outreach and constituent liaison. NDI linked MPs with the GONG to design a series of constituent outreach events, including "citizens' hours" and visits to Parliament.

In order to promote more representative government at the local level, in June 2000 USAID launched the Local Government Reform Program (LGRP) being implemented by the Urban Institute. The program provides officials in four partner cities that will serve as "demonstration sites" for improved governance, with assistance in financial analysis modeling, asset management, local strategic economic development, and increasing citizens' participation. The assistance provided in these four areas is expected to improve the business outlook in partner cities. The program will also provide the Government of Croatia with the comprehensive legal and policy analysis it needs to make informed decisions at the national level on fiscal decentralization and local government reforms, complementing the fiscal decentralization activities being implemented under SO 1.3. Additional work with the Association of Cities and Municipalities will ensure that the partner cities' experience is made widely available to other local governments.

In FY 2000, USAID launched the Municipal Court Improvement Project (MCIP) in order to help Croatia address systematic inefficiencies in court administration that resulted in huge case backlogs. This activity, implemented by the National Center for State Courts (NCSC) in partnership with the Croatian Ministry of Justice (MOJ), will accelerate civil case processing in the Zagreb Municipal Court and assist the MOJ to introduce reforms pertaining to the civil procedures codes and other codes that will promote fair and efficient disposition of civil cases. Prior to the 2000 elections, the bulk of USAID's assistance in establishing the rule of law was provided by the American Bar Association/Central and East European Law Institute (ABA/CEELI) in partnership with the Association of Croatian Judges (ACJ) in the form of workshops, symposia, and seminars to increase the professional capacity of the judiciary. In FY 2001, ABA/CEELI will continue to work with the ACJ to increase its professional capacity. CEELI will expand its program to include clinical legal education.

The opportunity for Croatians to enjoy balanced news and information via USAID's media project was a cornerstone of Croatia's political liberalization in the period leading up to, during and following presidential and parliamentary elections. The media program administered by International Research and Exchanges (IREX) developed independent television and radio networks, assisted media firms in strategic planning for improved management and revenue generation, and conducted professional training in journalism standards and ethics in cooperation

with the Croatian Journalists' Association. The media program's major achievement since the national elections is that partner media firms have remained solvent in an increasingly difficult economic environment. The television network continues to provide the most balanced news programming of any broadcast source in the country, and is widely watched according to local ratings. IREX has funded strategic planning consultants to assist firms in systematically reviewing their management practices, adopting innovative ways of increasing revenues and ensuring sustainability.

**Possible Adjustments to Plans:**

During FY 2000, the goal of USAID/Croatia democracy assistance shifted from helping Croatia's citizens elect a national government that better represented their interests to increasing the capacity and responsiveness of local and national government, including the judiciary. This shift embodied in the USAID/Croatia Strategic Plan for 2001 – 2005, has enabled the Mission to initiate new activities, including a Municipal Court Improvement Program and a Local Government Reform Program. Simultaneously, existing programs have been reoriented to take advantage of new opportunities to cooperate with the Government of Croatia. Continuing civil society/NGO strengthening programs and support to independent media have shifted their focus toward building the skills and organizational capacity needed to achieve sustainability.

**Other Donor Programs:**

Through FY 2000, the U.S. Government continued to be the largest donor in the democracy and governance area in Croatia in spite of the close out of the USAID Office of Transition Initiatives (OTI).

USAID coordinates democracy and governance assistance with the European Union, the Council of Europe, O.S.C.E, and other bilateral donors, including British, Norwegian, Dutch, German, Swedish and Canadian governments. Major private donors include the Open Society Institute and the C.S. Mott Foundation. As FY 2000 concluded, the European Union and the British Department for International Development (DFID) were preparing new democracy and governance assistance strategies.

**Major Contractors and Grantees:**

SO 2.1 currently has contracts with The Urban Institute, the Academy for Educational Development, and the National Center for State Courts. Major grantees include ACILS, NDI, IRI, IREX, and ABA/CEELI.

### Performance Data Table

<b>Objective Name: Increased better informed citizen participation in political processes</b>			
<b>Objective ID: 160-021-01</b>			
<b>Approved: 05/05/96 Country/Organization: USAID/Croatia</b>			
<b>Result Name: Increased better informed citizen participation in political processes</b>			
<b>Indicator: Freedom House combined average rating</b>			
<b>Disaggregated By:</b>			
<b>Unit Of Measure: Scale 1 to 7 (1 = Free, 7 = Not Free)</b>  <b>Source: Freedom House, The Annual Survey of Political Rights and Civil Liberties, 1999-2000</b>  <b>Indicator/Description: Laws, regulations, political pressure/controls and repressive actions</b>  <b>Comments: *New indicators will be developed for recently approved new strategy. PMP is presently under Nevelopment</b>	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
	1997	3.0 (PF)	4.0 (PF)
	1998	3.5 (PF)	4.0 (PF)
	1999	3.0 (PF)	4.0 (PF)
	2000	2.5 (Free)	4.0 (PF)
	2001	NA*	

**Performance Data Table**

<b>Objective Name: Increased better informed citizen participation in political processes</b>			
<b>Objective ID: 160-021-01</b>			
<b>Approved: 05/05/98 Country/Organization: USAID/Croatia</b>			
<b>Result Name: Increased capacity of civil society organizations</b>			
<b>Indicator: Overall strength/development of the NGO sector</b>			
<b>Disaggregated By:</b>			
<b>Unit Of Measure: The Sustainability Index is a composite score based on qualitative analysis of the entire NGO sector in seven areas: legal environment, service provision, infrastructure, organizational capacity, financial viability, advocacy skills, public image of NGOs</b>	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
	1997	4.0	4.6
	1998	3.8	4.4
	1999	3.5	5.0
	2000	2.5	4.3
	2001	*NA	
<b>Source: USAID, NGO Sustainability Index</b>			
<b>Indicator/Description: A score of 1 corresponds to strong progress towards sustainable NGO development. 7 is the lowest rating, corresponding to erosion or no change since the end of the former socialist era.</b>			
<b>Comments: *New indicators are under development to reflect the recently approved new strategy.</b>			

### Performance Data Table

<b>Objective Name: Increased better informed citizen participation in political processes</b>			
<b>Objective ID: 160-021-01</b>			
<b>Approved: 05/05/98 Country/Organization: USAID/Croatia</b>			
<b>Result Name: More diverse and independent sources of public information</b>			
<b>Indicator: Freedom House press freedom rating</b>			
<b>Disaggregated By:</b>			
<b>Unit Of Measure: Freedom House scale of press freedom</b>  <b>Source: Freedom House</b>  <b>Indicator/Description: Scores from 1-30 correspond to Free (F); from 31-60 (Partly Free (PF); and from 61-75 Not Free (NF)</b>  <b>Comments: *New indicators are under development to reflect the recently approved new strategy.</b>	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
	1997	45 (PF)	63 (NF)
	1998	57 (PF)	63 (NF)
	1999	50 (PF)	63 (NF)
	2000	45 (PF)	63 (NF)
	2001	NA*	

## SO Text for SO: 160-031 Accelerated Return and Sustainable Reintegration of War-Affected Populations

Country/Organization: USAID Croatia

Objective ID: 160-031

Objective Name: Accelerated Return and Sustainable Reintegration of War-Affected Populations

Self Assessment: Meeting Expectations

Primary Links to Agency Strategic Framework: **(Please Assign Percentages, Total Equals 100):**

15% 1.1 Critical private markets expanded and strengthened  
30% 1.2 More rapid and enhanced agricultural development and food security encouraged  
30% 1.3 Access to economic opportunity for the rural and urban poor expanded and made more equitable  
5% 2.1 Rule of law and respect for human rights of women as well as men strengthened  
0% 2.2 Credible and competitive political processes encouraged  
5% 2.3 The development of politically active civil society promoted  
5% 2.4 More transparent and accountable government institutions encouraged  
0% 3.1 Access to quality basic education for under-served populations, especially for girls and women, expanded  
0% 3.2 The contribution of host-country institutions of higher education to sustainable development increased  
0% 4.1 Unintended and mistimed pregnancies reduced  
0% 4.2 Infant and child health and nutrition improved and infant and child mortality reduced  
0% 4.3 Deaths, nutrition insecurity, and adverse health outcomes to women as a result of pregnancy and childbirth reduced  
0% 4.4 HIV transmission and the impact of the HIV/AIDS pandemic in developing countries reduced  
0% 4.5 The threat of infectious diseases of major public health importance reduced  
0% 5.1 Threat of global climate change reduced  
0% 5.2 Biological diversity conserved  
0% 5.3 Sustainable urbanization including pollution management promoted  
0% 5.4 Use of environmentally sound energy services increased  
0% 5.5 Sustainable management of natural resources increased  
0% 6.1 Urgent needs in times of crisis met  
10% 6.2 Personal security and basic institutions to meet critical intermediate needs and protect human rights re-established

Link to U.S. National Interests: National Security

Primary Link to MPP Goals: Regional Stability

Secondary Link to MPP Goals (optional): No Secondary Linkage

(Page limitations for narrative begin here):

Summary of the SO:

This SO will achieve increased, sustainable return of refugees and displaced persons in selected communities that have demonstrated their commitment to the process of minority return. USAID's assistance will help those who have returned remain and enjoy economic opportunity, and will create a draw factor for other potential returnees. The strategic objective will emphasize a comprehensive community-based approach that will bring a critical mass of assistance with infrastructure reconstruction/rehabilitation, economic revitalization efforts, community-building,



market-based housing solutions, and legal aid to communities that contribute and encourage the return of minority citizens to their towns and homes of origin.

#### Key Results:

Even though FY 2000 was a transitional year, USAID activities contributed significantly to supporting the return of refugees. A total of 26 infrastructure reconstruction projects were completed. In the area of economic revitalization, more than 650 farmers were provided with meaningful employment and average annual income generated per farmer equaled \$1,956. Assistance to small and medium enterprises (SMEs) resulted in 295 new trade linkages and an 18 % increase in exports. Seven USAID-supported legal aid NGOs provided pro bono legal services to 48,435 clients and worked on 58,724 legal cases.

#### Performance and Prospects:

Until CY 2000, USAID's efforts to provide resources for returnees from all ethnic groups were slowed significantly by the previous Government's obstruction of the minority return process. The former Government slowed the return of minorities through bureaucratic means. Ethnic Serb citizens (living abroad and within Croatia) experienced great difficulties in securing pre-war rights including citizenship documents, repossession of houses, and social benefits. The new government has voiced its support for a fair return process for all Croatian citizens regardless of ethnic background. These political changes, together with deterioration in living standards in places of refuge such as the FRY, caused an upsurge in minority returns. In 2000, UNHCR registered 27,916 refugee returns, primarily Croatian Serbs, in comparison with 18,431 returned refugees in 1999.

The new government also faces severe budgetary constraints that limit the assistance it can provide for infrastructure repair, housing reconstruction and other forms of assistance to returnees. Although the government has committed itself to eliminating the legal and administrative barriers to the return of minority citizens, to date substantial policy reforms have not been implemented. Many local governments, especially in areas with the potential for a significant number of returns, remain in the hands of the Croatian Democratic Union Party (HDZ), whose officials do not support return programs. Local elections are scheduled for May 2001 and may bring about some positive changes.

USAID's activities to achieve SO 3.1 are in a transitional stage. A revised SO was approved in the Mission's new Strategic Plan. In anticipation of the change, several implementing mechanisms terminated in FY 2000 and the remainder in early FY 2001. A new vehicle for implementing infrastructure reconstruction, the Community Infrastructure Rehabilitation Program (CIRP), began in January 2001. The Economic and Community Revitalization Activity (ECRA) will be operational in the third quarter of FY 2001. A new activity focussing on market-based solutions to housing reconstruction will be designed for implementation in early FY 2002. These activities represent a change in approach for USAID. The revised SO will focus on accelerating returns and assuring that those who return can remain. To accomplish this, assistance will be concentrated and coordinated in approximately fifteen war-affected municipalities in order to bring to bear a critical mass of resources. Emphasis will also be placed on community reintegration as well as economic revitalization. The selection and maintenance of partnerships between USAID and the target municipalities will be based on compliance with

conditionality regarding adherence to important principles of human and property rights, equal opportunity and public participation.

USAID activities implemented under the previous SO contributed significantly to supporting the return of refugees and displaced persons and to the revitalization of economic and community life in war-affected areas. A total of 26 infrastructure reconstruction projects were completed including 11 electrical projects, 9 water and sewage projects and 6 building projects. In the area of economic revitalization, 38 agricultural associations and cooperatives representing more than 12,000 farmers received technical assistance. \$800,000 in grants capitalized cooperatives and associations with livestock and equipment. Technical assistance and training were also provided to 269 SMEs which resulted in 295 new trade linkages and an 18 % increase in exports.

In FY 2000, seven USAID-supported legal aid NGOs, through 30 branch offices, provided pro bono legal services to 48,435 clients and worked on 58,724 legal cases. The most common types of cases were: property rights (11,916 cases or 20,29%); legal status (8,384 cases or 15,05%); claims for reconstruction assistance (7,954 cases or 13,54%); and pension rights (7,946 cases or 13,53%). One of the seven NGOs supported by USAID is the Legal Services Coalition (LSC), which coordinates and supports the legal services work of six USAID-funded participating NGOs. LSC conducted two public education campaigns for returnees and produced two documents which were widely distributed and used by refugee support organizations to educate their clientele regarding their legal rights and the legal procedures related to guaranteeing these rights.

USAID continues to be the primary international donor for reconstruction and rehabilitation of infrastructure, particularly power and water. Because one of the main barriers to returns in rural areas is the absence of electricity, \$5 million will be spent for electrification projects in return areas as part of USAID's larger Community Infrastructure Rehabilitation Program (CIRP). CIRP will also reconstruct community buildings such as schools, clinics and community centers as well as roads, water and wastewater facilities in partnership municipalities.

Recognizing that sustainable returns of young, economically active families require job opportunities and viable community services, a major portion of USAID resources will be devoted to the Economic and Community Revitalization Activity (ECRA). Before independence and the war, approximately 70 percent of the population in rural areas worked full-time (primarily in state-owned industries) and supplemented family incomes with subsistence agriculture. As the majority of industries in pre-war rural towns have been destroyed or gone bankrupt, most families must now rely on small agricultural production and pensions as the majority of returnees are elderly. The creation of new SMEs and agricultural initiatives are essential for income generation and employment opportunities for younger, economically active returnees. In some cases it may be necessary to support short-term job programs to help returning families get back on their feet.

Community-building activities are necessary to prevent an upsurge in ethnic tension as the rate of minority returns increases, and to promote long-term reconciliation. USAID community activities, such as support for community boards, community centers, women's groups, and local NGOs, will seek to start a constructive dialogue between ethnic groups. Follow-on support to

the Croatian NGOs providing pro bono legal assistance to returnees will be continued, since securing property restitution and other legal rights is nearly impossible without it.

The former government encouraged Bosnian Croats to remain in Croatia and allowed them to occupy vacated homes. In this environment, few Bosnian Croats voiced an interest in returning to Bosnia-Herzegovina (BiH) since their option to remain seemed secure and for many, returning to BiH did not appear viable. Since the election of the new reform-minded Government of Croatia (GOC), Bosnian Croats have begun to realize that, in some cases, return is an option and possibly a necessity. In collaboration with USAID Missions in Bosnia-Herzegovina and the FRY, USAID will support programs specifically aimed at promoting the movement of people back to their original homes in Croatia from Bosnia and Serbia, and in Bosnia from Croatia.

Although the GOC and other donors including the EU and the U.S. Department of State's Bureau for Population, Refugees, and Migration (BPRM) are engaged in housing reconstruction, the available resources are woefully inadequate relative to the need. USAID will seek to ameliorate the situation by exploring ways to utilize market mechanisms to meet the need for housing. This will be done through the ECRA, which will give special attention to activities that promote housing finance and private construction-related enterprises, through a new activity that will focus on promoting market-based solutions.

#### Possible Adjustments to Plans:

The newly revised SO, IRs and the activities which will be implemented to achieve them are based on lessons learned from previous USAID and other donor programs. While mid-course corrections may be required to refine activity designs in FY 2002, major adjustments are unlikely to be necessary.

#### Other Donor Programs:

USAID will continue to leverage return assistance by cooperating with the GOC and other donors. One of USAID's principal partners in reconstruction has been the European Union (EU) through its implementing partner, Arbeiter-Samariter Bund (ASB). Other donors include the Council of Europe, World Bank and bilateral donors such as the governments of the Netherlands, Canada and Norway. In addition, private foundations such as the Soros Foundation's Open Society Institute contribute to reconstruction and revitalization in the war-affected areas. The Department of State's BPRM and its implementing agencies are key donor partners for achieving this strategic objective. OSCE and UNHCR are working on monitoring, data collection and, in the latter's case, logistical and administrative support for returnees.

#### Major Contractors and Grantees:

The Louis Berger Group is implementing CIRP. A cooperative agreement will be competitively awarded to a U.S. organization for the implementation of ECRA. The small grants mechanism being designed under SO 2.1 for strengthening grass-roots NGOs will be used for making small grants to NGOs in war-affected areas, rather than creating a separate mechanism under ECRA. The implementing partner for the market-based housing reconstruction activity will be determined during the design process.

## Performance Data Table

<b>Objective Name: Reintegration of War-affected Populations</b>			
<b>Objective ID: 160-031-01</b>			
<b>Approved: 03/01/1997      Country/Organization: USAID Croatia</b>			
<b>Result Name: Reintegration of war-affected populations</b>			
<b>Indicator: Number of displaced person and refugee returns</b>			
<b>Disaggregated By:</b>			
<b>Unit Of Measure: Displaced persons (DPs) and refugees (R)</b>  <hr/> <b>Source: UNHCR</b>  <hr/> <b>Indicator/Description: Numbers who have actually returned to their home of origin.</b>  <hr/> <b>Comments: The figures shown are corrected numbers provided by UNHCR. These are the accepted "official" figures used by the International Community. It should be noted that the number of refugee returns increased significantly each year will displaced person returns declined. *New indicators are currently under development for recently approved new strategy.</b>	Year	Planned	Actual
	1998	100,000	15,389 (R) 40,870 (DP)
	1999	150,000	21,760 (R ) 31,294 (DP)
	2000	100,000	28,711 (R ) 15,604 (DP)
	2001	NA*	NA*

## Performance Data Table

<b>Objective Name: Reintegration of War-affected Populations</b>			
<b>Objective ID: 160-031-01</b>			
<b>Approved: 03/01/1997      Country/Organization: USAID Croatia</b>			
<b>Result Name: I.R. 3.1.3 Municipalities encourage affected populations to return to and remain in communities of origin.</b>			
<b>Indicator: Number of returns to USAID supported municipalities</b>			
<b>Disaggregated By:</b>			
<b>Unit Of Measure: Displaced persons (DPs) and refugees (R )</b>  <b>Source: UNHCR, GoC, ODP, OSCE</b>  <b>Indicator/Description: Numbers who have actually returned to their homes of origin in the municipalities in the Return Assistance Program.</b>  <b>Comments: IOM figures have been relied upon for 1998 and 1999 as it was their responsibility as part of the Return Assistance Program (RAP) to track and verify return related data gathered for each municipality they support. 2000 figures are from ODRP. *New indicators are currently under development for recently approved new strategy.</b>	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
	1998	14,350	8,335
	1999	20,000	10,000
	2000	30,000	7,169
	2001	NA*	NA*

## Performance Data Table

<b>Objective Name: Reintegration of war-affected populations</b>				
<b>Objective ID: 160-031-01</b>				
<b>Approved: 160-031-01</b>			<b>Country/Organization: USAID Croatia</b>	
<b>Result Name: I.R.3.1.1.2 Enterprise growth and expansion</b>				
<b>Indicator: Employment growth in assisted firms</b>				
<b>Disaggregated By:</b>				
	<b>Unit Of Measure: Jobs created through the creation, growth or expansion of assisted firms.</b>	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
	<b>Source University of Delaware (FLAG), Opportunity International (OI/NOA), and the Small Enterprise Assistance Fund (SEAF-Croatia)</b>			
	<b>Indicator/Description: Jobs created after, or as a result of assistance provided directly in the form of credit, equity investment, technical assistance and/or training.</b>			
	<b>Comments: Figures through 1999 are aggregates of all of the jobs created that are due to the various types of assistance provided. In 2000 only one implementing partner (FLAG) remained operational and reported on this indicator. *New indicators are currently under development for recently approved new strategy.</b>			
	1998	1,000	963	
	1999	2,000	2817	
	2000	3,000	157	
	2001	NA*	NA*	

## Performance Data Table

<b>Objective Name: Reintegration of war-affected populations</b>				
<b>Objective ID: 160-031-01</b>				
<b>Approved: 03/01/1997</b>			<b>Country/Organization: USAID Croatia</b>	
<b>Result Name: I.R.3.1.1.1 Enterprise growth and expansion</b>				
<b>Indicator: Number of firms including farms, assisted</b>				
<b>Disaggregated By:</b>				
	<b>Unit Of Measure: Private firms, including agricultural cooperatives, associations and farmers, in war-affected regions</b>	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
	<b>Source: University of Delaware (FLAG), Opportunity International (OI/NOA), and the Small Enterprise Assistance Fund (SEAF-Croatia)</b>			
	<b>Indicator/Description: Assistance provided directly in the form of credit, equity investment, technical assistance or training.</b>			
	<b>Comments: Figures are aggregates of all of the various types of assistance provided in order to indicate the breadth of assistance provided through 1999. In 2000 only FLAG remained operational and reported on this indicator. *New indicators are currently under development for recently approved new strategy.</b>			
	1998	1,500	3,700*	
	1999	4,500	12,817	
	2000	5,000	12,308	
	2001	NA*	NA*	

## SO Text for SO: 160-042

Country/Organization: USAID Croatia

Objective ID: 160-042

Objective Name: Crosscutting Activities

Self Assessment: Meeting Expectations

Primary Links to Agency Strategic Framework: **(Please Assign Percentages, Total Equals 100):**

37% 1.1 Critical private markets expanded and strengthened  
0% 1.2 More rapid and enhanced agricultural development and food security encouraged  
0% 1.3 Access to economic opportunity for the rural and urban poor expanded and made more equitable  
30% 2.1 Rule of law and respect for human rights of women as well as men strengthened  
0% 2.2 Credible and competitive political processes encouraged  
33% 2.3 The development of politically active civil society promoted  
0% 2.4 More transparent and accountable government institutions encouraged  
0% 3.1 Access to quality basic education for under-served populations, especially for girls and women, expanded  
0% 3.2 The contribution of host-country institutions of higher education to sustainable development increased  
0% 4.1 Unintended and mistimed pregnancies reduced  
0% 4.2 Infant and child health and nutrition improved and infant and child mortality reduced  
0% 4.3 Deaths, nutrition insecurity, and adverse health outcomes to women as a result of pregnancy and childbirth reduced  
0% 4.4 HIV transmission and the impact of the HIV/AIDS pandemic in developing countries reduced  
0% 4.5 The threat of infectious diseases of major public health importance reduced  
0% 5.1 Threat of global climate change reduced  
0% 5.2 Biological diversity conserved  
0% 5.3 Sustainable urbanization including pollution management promoted  
0% 5.4 Use of environmentally sound energy services increased  
0% 5.5 Sustainable management of natural resources increased  
0% 6.1 Urgent needs in times of crisis met  
0% 6.2 Personal security and basic institutions to meet critical intermediate needs and protect human rights re-established

Link to U.S. National Interests: National Security

Primary Link to MPP Goals: Economic Development

Secondary Link to MPP Goals (optional): Democracy and Human Rights

(Page limitations for narrative begin here):

Summary of the SO:

This SO supports the U.S. Mission's MPP goals of economic development and democracy and human rights, promoting human capacity development in all sectors, cultivating synergies across all Strategic Objectives within the Mission's portfolio. The Technical Training for Societies in Transition (TRANSIT) and Audit, Evaluation and Program Support (AEPS) were the two principal cross-cutting programs for the USAID/Croatia Mission during this reporting period.



Each of these activities contributes directly to the achievement of one or more of the three primary Strategic Objectives under the prior Strategic Plan.

The TRANSIT program supports short-term technical training in the US and third countries for Croatian professionals in support of democratization, return/reconciliation of war-affected populations, and financial sector restructuring. All candidates for support under this project are proposed and screened by the sponsoring SO Team based on criteria related to achievement of specific Intermediate Results.

The Audit, Evaluation and Program Support (AEPS) program finances project development and management services for implementation of the program strategy and achievement of the SOs. USAID/Croatia's operating policy is that all program and project staff are funded under the single AEPS program during this reporting period.

#### Key Results:

Over the past year approximately 91 people participated in training activities programs under the TRANSIT program. Participant training activities within the Mission's economic portfolio included a group of five senior researchers from the Ministry of Finance who attended "Budgeting and Financial Management in the Public Sector" and Fiscal Decentralization" courses. A group comprising two judges from the commercial court, two advisers from the Croatian National Bank and the Assistant Minister of Economy attended a law conference on the principles of Bankruptcy. The development of effective laws on insolvency and their implementation and enforcement are major components of USAID's program to develop a viable and transparent free-market economy. A group of six participants, representing the Ministry of Finance, the Croatian Privatization Fund and the Croatian Chamber of Commerce attended a "Foreign Investment Promotion" program that demonstrated the role of foreign direct investment in the development of Ireland and Hungary.

Under the democracy and governance objective, eight women attended the "Gender Equality Commission" program; eight journalist representing print, television and radio journalism attended a training of trainers course on media management; 43 participants from NGOs participated in five different courses including NGO Law development and improved NGO management. Several Croatian judges participated in a court administration program and six county state attorneys and two representatives from the Croatian Ministry of Interior participated in a program concentrating on prosecutor investigation techniques and technologies pertaining to white collar crime.

#### Performance and Prospects:

Performance of cross-cutting activities is meeting expectations.

The TRANSIT program supports short-term technical training in the US and third countries for Croatian professionals in support of democratization, return/reconciliation of war-affected populations, and financial sector restructuring. All candidates for support under this project are

proposed and screened by the sponsoring SO Team based on criteria related to achievement of specific Intermediate Results.

The Audit, Evaluation and Program Support (AEPS) program finances project development and management services for implementation of the program strategy and achievement of the Mission's SOs. During this reporting period AEPS provided instrumental assistance for all ongoing Mission activities through program staff employment contracts and related administrative support. AEPS funds supported key technical assistance to perform various assessments used to develop the Mission's new five-year strategy and was the mechanism used to fund the primary consultant who helped the Mission facilitate the design and writing of the strategy.

#### Possible Adjustments to Plans:

USAID/Croatia's recently approved five-year strategy broadens the Mission's crosscutting objective. The new strategy lays out four cross-cutting initiatives that support USAID's overall assistance goal and influence the results under all Strategic Objectives. These initiatives include two new activities aimed at stemming corruption and promoting advances in Croatia's use of information and communication technology and two ongoing activities in environment and participant training.

#### Major Contractors and Grantees:

World Learning

## **R4 Part III: Resource Request**

USAID's program of assistance to Croatia expanded significantly during calendar year 2000, as a result of increased funding that included \$15.1 million in FY 2000 funds, \$4.9 million in FY 1999 carryover reprogrammed from other countries following the elections, and a \$21.1 million FY 2000 Supplemental Appropriation passed by the Congress in June 2000. Total funding available in CY 2000 thus became \$41.1 million. The approved SEED funding for Croatia in FY 2001 was \$44.525 million, of which \$39.525 million is being obligated to USAID programs, and \$4.9 million is being transferred to other Federal agencies. The SEED budget for FY 2001 is based on a Congressional directive that informally earmarked \$67.625 million for Croatia, including the FY 2000 Supplemental. USAID/Croatia is requesting \$45.0 million per year (to include inter-Agency transfers of \$3.9 million) for FY 2002 and 2003 to support its four strategic objectives. The table below indicates the overall allocation of program resources for control/planning figures as well as the request level.

From programs aimed only at improving political processes, strengthening civil society and reintegrating war-affected populations, USAID broadened its focus in CY 2000 and developed a new portfolio of activities that now includes significant economic reform and restructuring programs, as well as social transition activities.

**SO 1.3** USAID's initial technical assistance to the Ministry of Finance, begun within a few months of the January 2000 elections, was key to the Ministry's success in the implementation of new automated and integrated financial management system required to meet IMF conditionality for a Standby Arrangement signed in February 2001. Ongoing assistance during FY 2002 and 2003 will aim at improved expenditure control, consolidation of the national treasury accounts, and fiscal decentralization. The two USAID-funded advisors work in close coordination with two advisors from the U.S. Treasury, who work on budget transparency and rationalization, and on tax reform. New activities in fiscal reform to start in 2002-2003 will include assistance to the Ministry of Finance to implement program-based budgeting and assistance to the Sabor in the creation of a Parliamentary Budget Office. A system of program-based budgeting will be a major step forward in rationalizing Croatian government expenditures, as resource allocations to the various government ministries will be made based on the submission of planned programs and results rather than simply expenditure line items. Creation of a Parliamentary Budget Office will provide the National Assembly with the capacity to independently analyze the budgetary impact of proposed legislation.

USAID's assistance to the Croatian Privatization Fund is building the institutional capacity of the Fund to carry out plans for an aggressive program to dispose of State-owned enterprises in a transparent and competitive manner. The initial stage of assistance ended and a second stage began in FY 2001. Under the new contract, USAID advisors will continue assisting the Fund in disposing of state assets, including the collective farms, or agrokombinats.

USAID assistance to Croatia's central bank (HNB) has led to improved bank supervision, providing the HNB with adequate authority to enforce prudential laws and regulations. This

work will continue through FY 2002, and will assist the Bank in using risk models to conduct ongoing assessments of the soundness of individual banks and the banking sector as a whole.

Another USAID activity, begun in FY 2000 and continuing through FY 2002 and FY 2003, is Commercial Law reform, working in the Croatian commercial courts system (in close collaboration with the World Bank's loan in this area), the land and company registries, and a planned collateral registry. Promotion of alternative dispute mechanisms will be explored as a means of reducing caseloads and accelerating resolution of commercial disputes, key objectives for Croatia's success in attracting foreign investment and facilitating domestic business formation.

Two new activities – the Croatian Enterprise Promotion (CEP) Activity and Croatian Competitive Initiative (CCI) -- were begun in FY 2001, and will continue through FY 2003. CEP will promote enterprise development by building local private-sector capacity to provide business consulting services, improving business access to credit, and assisting enterprises to meet international quality and technical product standards. CCI will support a structured dialogue between business and government leaders to bring about policy changes needed to make Croatian businesses internationally competitive and facilitate foreign investment. Three business "clusters" – tourism, technology and agribusiness – will receive support to improve their strategic market positions.

USAID/Croatia's support of activities under SO 1.3 will require \$17.7 million in FY 2002 and \$14.8 million in 2003.

**SO 2.1** The long-term prospects for Croatia's future democratic development are excellent. However, democratization in Croatia is far from complete. The legacy of socialism and autocracy continues to have an impact on the media, judicial and local government sectors and will take several years to reverse. USAID's goal in Croatia is to help the country make a successful transition to a democratic society and a market economy and in so doing, serve as a cornerstone for stability in the region.

USAID/Croatia will implement a new civil society initiative in FY 2002 - 2003 which will: 1) build CSO financial and organizational capacity, strengthen the "infrastructure" of resource organizations, and promote indigenous philanthropy at the national and local level; and 2) provide small grants to grassroots CSOs to carry out projects that benefit local communities. This new program will encourage partnerships with businesses and government by requiring matching contributions.

USAID assistance to independent media sector will focus on strengthening broadcasters' and journalists' associations, improving journalism standards, as well as introduce business management for commercial print and broadcast media. ProMedia II will provide business consulting and business-planning seminars for media outlets and will introduce competent management practices for commercial ventures in the media sector. The Croatian Journalists' Association will provide journalists with training to increase the quality and balance of news reporting. A code of ethics for journalists consonant with Croatia's new political culture will be developed.

USAID's Local Government Reform Program (LGRP), implemented by the Urban Institute, aims to develop best practices in local government finance and administration in at least four target municipalities. The program will also provide assistance to the GOC in developing a policy framework for local government reform that addresses administrative decentralization.

USAID will continue to provide political party strengthening at the local level to help parties prepare for local elections to be held in May 2001. An NDI sub-grant to GONG, Croatia's election monitoring NGO, will support citizen monitoring of these local elections and increase citizen access to Parliament. Through the International Republican Institute (IRI), USAID provides communications training for the GOC ministry spokespersons, as well as focus group work and political polling, to help GOC officials better understand their constituents' concerns. Judicial reform will be crucial to further economic and democratic development in Croatia. With USAID assistance, ABA/CEELI will continue to work with the Association of Croatian Judges (ACJ) to increase its professional capacity and may expand its program to include clinical legal education. USAID's Municipal Court Improvement Project (MCIP) will help Croatia address systematic inefficiencies in court administration that resulted in huge case backlogs. This activity, implemented by the National Center for State Courts (NCSC) in partnership with the Croatian Ministry of Justice (MOJ), will accelerate civil case processing in the Zagreb Municipal Court and assist the MOJ to introduce reforms that will promote fair and efficient disposition of civil cases.

USAID/Croatia's support of activities under SO 2.1 will require \$12 million in FY 2002 and \$10.9 million in 2003.

**SO 3.1** USAID activities contribute significantly to supporting the return of refugees. In order to encourage sustainable returns of young, economically active families, job opportunities and viable community services need to be developed in the return regions. USAID's new Economic and Community Revitalization Activity (ECRA) will promote the creation of new SMEs and agricultural initiatives essential for income generation and employment opportunities for economically active returnees. Through the ECRA, special attention will be given to activities that promote economic and community revitalization through the housing sector, such as support for building-related businesses and trades. A new activity promoting market-based solutions for housing is also to be implemented, possibly including a voucher program.

As the primary donor in infrastructure reconstruction and rehabilitation, USAID has pledged \$5 million for joint electrification projects with the Croatian Power Company (HEP). These projects will be carried out through the Mission's Community Infrastructure Rehabilitation Program (CIRP), concentrating in partnership municipalities. The CIRP will also be responsible for reconstructing schools, clinics, roads and wastewater facilities.

Community-building activities are also necessary to prevent an upsurge in ethnic tension as the rate of minority return increases, and to promote long-term reconciliation. USAID community activities, which support community centers, women's groups, and local NGOs, will seek to promote peaceful co-existence between ethnic groups.

As the tide of refugees returning to Croatia rises, the pressure to free up occupied homes by Bosnian Croats increases. USAID Croatia will support programs specifically aimed at promoting the movement of people across borders. Such programs will provide financial support to pro-return Bosnian Croat associations, and by implementing projects that support cross-border returns such as regional transport links and infrastructure.

Support for these activities is \$10.5 million for FY 2002 and \$9 million for FY 2003.

**SO 3.4** Mitigation of Adverse Social Conditions and Trends is a new Strategic Objective for USAID/Croatia. Croatia suffers from social problems typical of many transition countries-high unemployment, income inequality, expensive and inefficient health, pension, and social welfare systems, disaffected youth, increase in illegal drug availability and use and declining school enrollment at all levels. This legacy from decades of socialism and the downward spiral of the economy since 1991 have left Croatia facing a critical social ill. USAID will undertake modest and careful interventions aimed at enhancing the public-private dialogue especially in the areas of public education on pension reform and the tripartite initiative on labor issues. Building on the ongoing program of support to labor union development and labor participation in decision-making on economic reform, USAID will reinforce the GOC's effort to engage unions and employers on issues including: labor code reform; wage policy; job creation; competitiveness; productivity; and downsizing and workforce adjustment issues as a result of privatization and the liquidation of state-owned enterprises.

A total of \$3.6 million is planned for these activities in FY 2002 and \$4.1 million for 2003.

**SO 4.2** This cross-cutting SO supports USAID's overall assistance goals and influences the results under all Strategic Objectives. Initiatives at stemming corruption and promoting advances in Croatia's use of information and communication technology, and ongoing activities in environment and participant training will be supported in this SO.

Support for these cross-cutting initiatives is \$1.1 million for FY 2002 and 2003.

The pipeline analysis demonstrates that the program is within the allowable levels. Due to the Mission's redirection of its program and closeout of prior agreements and start up of new activities, higher levels of pipeline in some areas are reflective of final accrued expenditures not yet reported as expended by the contractor/grantee.

USAID/Croatia requests one USPSC and one FSN to be added to the Program office staff. This staffing request made in last year's R4 was allocated to the SO 1.3 office.

## FY 2001 Budget Request by Program/Country

Fiscal Year: 2001      Program/Country: Croatia  
 Approp: AEEB  
 Scenario:

FY 2001 Request															
S.O. # , Title	Starting Pipeline	Total	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival & Maternal Health (*)	Other Infectious Diseases (*)	HIV/AIDS (*)	Vulnerable Children (*)	Environ	D/G	Est. S.O. Expenditures	Est. S.O. Pipeline End of 2001
SO 1.3: Growth of a Dynamic and Competitive Private Sector															
Bilateral	3,142,000	16,850,000						0						13,113,000	6,879,000
Field Spt		0												0	0
	3,142,000	16,850,000	0	0	0	0	0	0	0	0		0	0	13,113,000	6,879,000
SO 2.1: More Effective Citizen Participation and Improved Governance															
Bilateral	5,554,000	12,900,000												9,609,000	8,845,000
Field Spt		0												0	0
	5,554,000	12,900,000	0	0	0	0	0	0	0	0		0	0	9,609,000	8,845,000
SO 3.1: Accelerated Return and Sustainable Reintegration of War-Affected Populations															
Bilateral	11,972,000	11,130,000												6,050,000	17,052,000
Field Spt		0												0	0
	11,972,000	11,130,000	0	0	0	0	0	0	0	0		0	0	6,050,000	17,052,000
SO 3.4: Mitigation of Adverse Social Conditions and Trends															
Bilateral		2,660,000												2,010,000	650,000
Field Spt		0												0	0
	0	2,660,000	0	0	0	0	0	0	0	0		0	0	2,010,000	650,000
SO 4.2: Cross Cutting															
Bilateral		985,000												810,000	175,000
Field Spt		0												0	0
	0	985,000	0	0	0	0	0	0	0	0		0	0	810,000	175,000
SO 6:															
Bilateral		0													0
Field Spt		0												0	0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 7:															
Bilateral		0													0
Field Spt		0												0	0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 8:															
Bilateral		0													0
Field Spt		0												0	0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
Total Bilateral	20,668,000	44,525,000	0	0	0	0	0	0	0	0		0	0	31,592,000	33,601,000
Total Field Support	0	0	0	0	0	0	0	0	0	0		0	0	0	0
<b>TOTAL PROGRAM</b>	<b>20,668,000</b>	<b>44,525,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>31,592,000</b>	<b>33,601,000</b>

### FY 2001 Request Agency Goal Totals

Econ Growth	16,850,000
Democracy	12,900,000
HCD	0
PHN	0
Environment	0
GCC (from all Goals)	44,525,000

### FY 2001 Account Distribution (DA only)

DA Program Total	
CSD Program Total	0
<b>TOTAL</b>	<b>0</b>

Prepare one set of tables for each Fiscal Year (FY2001, FY2002, FY2003)

Prepare one set of tables for each appropriation Account

Tables for DA and CSD may be combined on one table.

For the DA/CSD Table, columns marked with (\*) will be funded from the CSD Account.

ENV Sub-Directive Amounts for FY 2002 Request

<b>COUNTRY:</b>						
S.O. # , Title	Total	Global climate change	Biodiversity	Environmentally sound energy	Urban and pollution prevention	Natural resource management
SO 1:	0					
SO 2:	0					
SO 3:	0					
SO 4:	0					
SO 5:	0					
SO 6:	0					
SO 7:	0					
SO 8:	0					
<b>TOTAL PROGRAM</b>	0	0	0	0	0	0

[List of Objective ID numbers](#)



ENV Sub-Directive Amounts for FY 2002 Alternate Request

<b>COUNTRY:</b>						
S.O. # , Title	Total	Global climate change	Biodiversity	Environmentally sound energy	Urban and pollution prevention	Natural resource management
SO 1:	0					
SO 2:	0					
SO 3:	0					
SO 4:	0					
SO 5:	0					
SO 6:	0					
SO 7:	0					
SO 8:	0					
<b>TOTAL PROGRAM</b>	0	0	0	0	0	0

[List of Objective ID numbers](#)

ENV Sub-Directive Amounts for FY 2003 Request

<b>COUNTRY:</b>						
S.O. # , Title	Total	Global climate change	Biodiversity	Environmentally sound energy	pollution prevention	resource management
SO 1:	0					
SO 2:	0					
SO 3:	0					
SO 4:	0					
SO 5:	0					
SO 6:	0					
SO 7:	0					
SO 8:	0					
<b>TOTAL PROGRAM</b>	0	0	0	0	0	0

[List of Objective ID numbers](#)

CSD Sub-Directive Amounts for FY 2001 Request

COUNTRY:									
S.O. # , Title	Total	Child Survival/Maternal Health			Vulnerable Children		Other Infectious Diseases*		
		Primary causes	Polio	Micronutrient	DCOF	HIV/AIDS	TB	Malaria	"Other"
SO 1:									
CSD	0								
Other	0								
	0	0	0				0	0	0
SO 2:									
CSD	0								
Other	0								
	0	0	0				0	0	0
SO 3:									
CSD	0								
Other	0								
	0	0	0				0	0	0
SO 4:									
CSD	0								
Other	0								
	0	0	0				0	0	0
SO 5:									
CSD	0								
Other	0								
	0	0	0				0	0	0
SO 6:									
CSD	0								
Other	0								
	0	0	0				0	0	0
SO 7:									
CSD	0								
Other	0								
	0	0	0				0	0	0
SO 8:									
CSD	0								
Other	0								
	0	0	0				0	0	0
Total CSD									
Total CSD	0	0	0				0	0	0
Total Other	0	0	0				0	0	0
TOTAL PROGRAM	0	0	0				0	0	0

Note: All funding for Malaria should now come from Infectious Diseases

CSD Sub-Directive Amounts for FY 2002 Request

COUNTRY:									
S.O. # , Title	Total	Child Survival/Maternal Health			Vulnerable Children		Other Infectious Diseases*		
		Primary causes	Polio	Micronutrients	DCOF	HIV/AIDS	TB	Malaria	"Other"
SO 1:									
CSD	0								
Other	0								
	0	0	0				0	0	0
SO 2:									
CSD	0								
Other	0								
	0	0	0				0	0	0
SO 3:									
CSD	0								
Other	0								
	0	0	0				0	0	0
SO 4:									
CSD	0								
Other	0								
	0	0	0				0	0	0
SO 5:									
CSD	0								
Other	0								
	0	0	0				0	0	0
SO 6:									
CSD	0								
Other	0								
	0	0	0				0	0	0
SO 7:									
CSD	0								
Other	0								
	0	0	0				0	0	0
SO 8:									
CSD	0								
Other	0								
	0	0	0				0	0	0
Total CSD	0	0	0				0	0	0
Total Other	0	0	0				0	0	0
TOTAL PROGRAM	0	0	0				0	0	0

Note: All funding for Malaria should now come from Infectious Diseases

CSD Sub-Directive Amounts for FY 2002 Alternate Request

COUNTRY:									
S.O. #, Title	Total	Child Survival/Maternal Health			Vulnerable Children		Other Infectious Diseases*		
		Primary causes	Polio	Micronutrient	DCOF	HIV/AIDS	TB	Malaria	"Other"
SO 1:									
CSD	0								
Other	0								
	0	0	0				0	0	0
SO 2:									
CSD	0								
Other	0								
	0	0	0				0	0	0
SO 3:									
CSD	0								
Other	0								
	0	0	0				0	0	0
SO 4:									
CSD	0								
Other	0								
	0	0	0				0	0	0
SO 5:									
CSD	0								
Other	0								
	0	0	0				0	0	0
SO 6:									
CSD	0								
Other	0								
	0	0	0				0	0	0
SO 7:									
CSD	0								
Other	0								
	0	0	0				0	0	0
SO 8:									
CSD	0								
Other	0								
	0	0	0				0	0	0
Total CSD	0	0	0				0	0	0
Total Other	0	0	0				0	0	0
<b>TOTAL PROGRAM</b>	0	0	0				0	0	0

Note: All funding for Malaria should now come from Infectious Diseases

CSD Sub-Directive Amounts for FY 2003 Request

COUNTRY:												
S.O. #, Title	Total	Child Survival			Maternal Health		Vulnerable Children		Other Infectious Diseases*			"Other"
		Primary cause	Polio	Micronutrients	DCOF	HIV/AIDS	TB	Malaria				
SO 1:												
CSD	0											
Other	0											
	0	0	0	0				0	0	0	0	
SO 2:												
CSD	0											
Other	0											
	0	0	0	0				0	0	0	0	
SO 3:												
CSD	0											
Other	0											
	0	0	0	0				0	0	0	0	
SO 4:												
CSD	0											
Other	0											
	0	0	0	0				0	0	0	0	
SO 5:												
CSD	0											
Other	0											
	0	0	0	0				0	0	0	0	
SO 6:												
CSD	0											
Other	0											
	0	0	0	0				0	0	0	0	
SO 7:												
CSD	0											
Other	0											
	0	0	0	0				0	0	0	0	
SO 8:												
CSD	0											
Other	0											
	0	0	0	0				0	0	0	0	
Total CSD	0	0	0	0				0	0	0	0	
Total Other	0	0	0	0				0	0	0	0	
TOTAL PROGRAM	0	0	0	0				0	0	0	0	

Note: All funding for Malaria should now come from Infectious Diseases

## FY 2001 Budget Request by Program/Country

Fiscal Year: 2001      Program/Country:  
 Approp: DA/CSD  
 Scenario:

FY 2001 Request															
S.O. # , Title	Starting Pipeline	Total	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival & Maternal Health (*)	Other Infectious Diseases (*)	HIV/AIDS (*)	Vulnerable Children (*)	Environ	D/G	Est. S.O. Expenditures	Est. S.O. Pipeline End of 2001
SO 1: Successful Democratic Transition Including Free and Fair Elections															
Bilateral		0						0							0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 2: Successful Transition from Relief to Recovery Through a Community Reintegration Program															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 3:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 4:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 5:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 6:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 7:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 8:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
Total Bilateral	0	0	0	0	0	0	0	0	0	0		0	0	0	0
Total Field Support	0	0	0	0	0	0	0	0	0	0		0	0	0	0
<b>TOTAL PROGRAM</b>	0	0	0	0	0	0	0	0	0	0		0	0	0	0

### FY 2001 Request Agency Goal Totals

Econ Growth	0
Democracy	0
HCD	0
PHN	0
Environment	0
GCC (from all Goals)	0

### FY 2001 Account Distribution (DA only)

DA Program Total	0
CSD Program Total	0
<b>TOTAL</b>	0

Prepare one set of tables for each Fiscal Year (FY2001, FY2002, FY2003)

Prepare one set of tables for each appropriation Account

Tables for DA and CSD may be combined on one table.

For the DA/CSD Table, columns marked with (\*) will be funded from the CSD Account.

## FY 2002 Budget Request by Program/Country

Fiscal Year: 2002      Program/Country:  
 Approp: DA/CSD  
 Scenario:

FY 2002 Request															
S.O. # , Title	Starting Pipeline	Total	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival & Maternal Health (*)	Other Infectious Diseases (*)	HIV/AIDS (*)	Vulnerable Children (*)	Environ	D/G	Est. S.O. Expenditures	Est. S.O. Pipeline End of 2002
SO 1: Successful Democratic Transition Including Free and Fair Elections															
Bilateral		0						0							0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 2: Successful Transition from Relief to Recovery Through a Community Reintegration Program															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 3:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 4:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 5:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 6:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 7:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 8:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
Total Bilateral	0	0	0	0	0	0	0	0	0	0		0	0	0	0
Total Field Support	0	0	0	0	0	0	0	0	0	0		0	0	0	0
<b>TOTAL PROGRAM</b>	0	0	0	0	0	0	0	0	0	0		0	0	0	0

### FY 2002 Request Agency Goal Totals

Econ Growth	0
Democracy	0
HCD	0
PHN	0
Environment	0
GCC (from all Goals)	0

### FY 2002 Account Distribution (DA only)

DA Program Total	0
CSD Program Total	0
<b>TOTAL</b>	0

Prepare one set of tables for each Fiscal Year (FY2001, FY2002, FY2003)

Prepare one set of tables for each appropriation Account

Tables for DA and CSD may be combined on one table.

For the DA/CSD Table, columns marked with (\*) will be funded from the CSD Account.



## FY 2002 ALT Budget Request by Program/Country

Fiscal Year: 2002 ALT    Program/Country:  
 Approp: DA/CSD  
 Scenario:

FY 2002 ALT Request															
S.O. # , Title	Starting Pipeline	Total	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival & Maternal Health (*)	Other Infectious Diseases (*)	HIV/AIDS (*)	Vulnerable Children (*)	Environ	D/G	Est. S.O. Expenditures	Est. S.O. Pipeline End of 2002 ALT
SO 1: Successful Democratic Transition Including Free and Fair Elections															
Bilateral		0						0							0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 2: Successful Transition from Relief to Recovery Through a Community Reintegration Program															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 3:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 4:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 5:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 6:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 7:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 8:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
Total Bilateral	0	0	0	0	0	0	0	0	0	0		0	0	0	0
Total Field Support	0	0	0	0	0	0	0	0	0	0		0	0	0	0
<b>TOTAL PROGRAM</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### FY 2002 ALT Request Agency Goal Totals

Econ Growth	0
Democracy	0
HCD	0
PHN	0
Environment	0
GCC (from all Goals)	0

### FY 2002 ALT Account Distribution (DA only)

DA Program Total	0
CSD Program Total	0
<b>TOTAL</b>	<b>0</b>

Prepare one set of tables for each Fiscal Year (FY2001, FY2002, FY2003)

Prepare one set of tables for each appropriation Account

Tables for DA and CSD may be combined on one table.

For the DA/CSD Table, columns marked with (\*) will be funded from the CSD Account.

## FY 2003 Budget Request by Program/Country

Fiscal Year: 2003      Program/Country:  
 Approp: DA/CSD  
 Scenario:

FY 2003 Request															
S.O. # , Title	Starting Pipeline	Total	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival & Maternal Health (*)	Other Infectious Diseases (*)	HIV/AIDS (*)	Vulnerable Children (*)	Environ	D/G	Est. S.O. Expenditures	Est. S.O. Pipeline End of 2003
SO 1: Successful Democratic Transition Including Free and Fair Elections															
Bilateral		0						0							0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 2: Successful Transition from Relief to Recovery Through a Community Reintegration Program															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 3:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 4:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 5:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 6:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 7:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 8:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
Total Bilateral	0	0	0	0	0	0	0	0	0	0		0	0	0	0
Total Field Support	0	0	0	0	0	0	0	0	0	0		0	0	0	0
<b>TOTAL PROGRAM</b>	0	0	0	0	0	0	0	0	0	0		0	0	0	0

### FY 2003 Request Agency Goal Totals

Econ Growth	0
Democracy	0
HCD	0
PHN	0
Environment	0
GCC (from all Goals)	0

### FY 2003 Account Distribution (DA only)

DA Program Total	0
CSD Program Total	0
<b>TOTAL</b>	0

Prepare one set of tables for each Fiscal Year (FY2001, FY2002, FY2003)

Prepare one set of tables for each appropriation Account

Tables for DA and CSD may be combined on one table.

For the DA/CSD Table, columns marked with (\*) will be funded from the CSD Account.

## FY 2001 Budget Request by Program/Country

Fiscal Year: 2001      Program/Country:  
 Approp: ESF  
 Scenario:

FY 2001 Request															
S.O. # , Title	Starting Pipeline	Total	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival & Maternal Health (*)	Other Infectious Diseases (*)	HIV/AIDS (*)	Vulnerable Children (*)	Environ	D/G	Est. S.O. Expenditures	Est. S.O. Pipeline End of 2001
SO 1: Successful Democratic Transition Including Free and Fair Elections															
Bilateral		0						0							0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 2: Successful Transition from Relief to Recovery Through a Community Reintegration Program															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 3:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 4:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 5:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 6:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 7:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 8:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
Total Bilateral	0	0	0	0	0	0	0	0	0	0		0	0	0	0
Total Field Support	0	0	0	0	0	0	0	0	0	0		0	0	0	0
<b>TOTAL PROGRAM</b>	0	0	0	0	0	0	0	0	0	0		0	0	0	0

### FY 2001 Request Agency Goal Totals

Econ Growth	0
Democracy	0
HCD	0
PHN	0
Environment	0
GCC (from all Goals)	0

### FY 2001 Account Distribution (DA only)

DA Program Total	0
CSD Program Total	0
<b>TOTAL</b>	0

Prepare one set of tables for each Fiscal Year (FY2001, FY2002, FY2003)

Prepare one set of tables for each appropriation Account

Tables for DA and CSD may be combined on one table.

For the DA/CSD Table, columns marked with (\*) will be funded from the CSD Account.

## FY 2002 Budget Request by Program/Country

Fiscal Year: 2002      Program/Country:  
 Approp: ESF  
 Scenario:

FY 2002 Request															
S.O. # , Title	Starting Pipeline	Total	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival & Maternal Health (*)	Other Infectious Diseases (*)	HIV/AIDS (*)	Vulnerable Children (*)	Environ	D/G	Est. S.O. Expenditures	Est. S.O. Pipeline End of 2002
SO 1: Successful Democratic Transition Including Free and Fair Elections															
Bilateral		0						0							0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 2: Successful Transition from Relief to Recovery Through a Community Reintegration Program															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 3:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 4:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 5:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 6:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 7:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 8:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
Total Bilateral	0	0	0	0	0	0	0	0	0	0		0	0	0	0
Total Field Support	0	0	0	0	0	0	0	0	0	0		0	0	0	0
<b>TOTAL PROGRAM</b>	0	0	0	0	0	0	0	0	0	0		0	0	0	0

### FY 2002 Request Agency Goal Totals

Econ Growth	0
Democracy	0
HCD	0
PHN	0
Environment	0
GCC (from all Goals)	0

### FY 2002 Account Distribution (DA only)

DA Program Total	0
CSD Program Total	0
<b>TOTAL</b>	0

Prepare one set of tables for each Fiscal Year (FY2001, FY2002, FY2003)

Prepare one set of tables for each appropriation Account

Tables for DA and CSD may be combined on one table.

For the DA/CSD Table, columns marked with (\*) will be funded from the CSD Account.

## FY 2002 ALT Budget Request by Program/Country

Fiscal Year: 2002 ALT Program/Country:  
 Approp: ESF  
 Scenario:

FY 2002 ALT Request															
S.O. # , Title	Starting Pipeline	Total	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival & Maternal Health (*)	Other Infectious Diseases (*)	HIV/AIDS (*)	Vulnerable Children (*)	Environ	D/G	Est. S.O. Expenditures	Est. S.O. Pipeline End of 2002 ALT
SO 1: Successful Democratic Transition Including Free and Fair Elections															
Bilateral		0						0							0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 2: Successful Transition from Relief to Recovery Through a Community Reintegration Program															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 3:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 4:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 5:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 6:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 7:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 8:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
Total Bilateral	0	0	0	0	0	0	0	0	0	0		0	0	0	0
Total Field Support	0	0	0	0	0	0	0	0	0	0		0	0	0	0
<b>TOTAL PROGRAM</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### FY 2002 ALT Request Agency Goal Totals

Econ Growth	0
Democracy	0
HCD	0
PHN	0
Environment	0
GCC (from all Goals)	0

### FY 2002 ALT Account Distribution (DA only)

DA Program Total	0
CSD Program Total	0
<b>TOTAL</b>	<b>0</b>

Prepare one set of tables for each Fiscal Year (FY2001, FY2002, FY2003)

Prepare one set of tables for each appropriation Account

Tables for DA and CSD may be combined on one table.

For the DA/CSD Table, columns marked with (\*) will be funded from the CSD Account.

## FY 2003 Budget Request by Program/Country

Fiscal Year: 2003      Program/Country:  
 Approp: ESF  
 Scenario:

FY 2003 Request															
S.O. # , Title	Starting Pipeline	Total	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival & Maternal Health (*)	Other Infectious Diseases (*)	HIV/AIDS (*)	Vulnerable Children (*)	Environ	D/G	Est. S.O. Expenditures	Est. S.O. Pipeline End of 2003
SO 1: Successful Democratic Transition Including Free and Fair Elections															
Bilateral		0						0							0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 2: Successful Transition from Relief to Recovery Through a Community Reintegration Program															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 3:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 4:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 5:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 6:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 7:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 8:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
Total Bilateral	0	0	0	0	0	0	0	0	0	0		0	0	0	0
Total Field Support	0	0	0	0	0	0	0	0	0	0		0	0	0	0
<b>TOTAL PROGRAM</b>	0	0	0	0	0	0	0	0	0	0		0	0	0	0

### FY 2003 Request Agency Goal Totals

Econ Growth	0
Democracy	0
HCD	0
PHN	0
Environment	0
GCC (from all Goals)	0

### FY 2003 Account Distribution (DA only)

DA Program Total	0
CSD Program Total	0
<b>TOTAL</b>	0

Prepare one set of tables for each Fiscal Year (FY2001, FY2002, FY2003)

Prepare one set of tables for each appropriation Account

Tables for DA and CSD may be combined on one table.

For the DA/CSD Table, columns marked with (\*) will be funded from the CSD Account.

## FY 2001 Budget Request by Program/Country

Fiscal Year: 2001      Program/Country:  
 Approp: FSA  
 Scenario:

FY 2001 Request															
S.O. # , Title	Starting Pipeline	Total	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival & Maternal Health (*)	Other Infectious Diseases (*)	HIV/AIDS (*)	Vulnerable Children (*)	Environ	D/G	Est. S.O. Expenditures	Est. S.O. Pipeline End of 2001
SO 1: Successful Democratic Transition Including Free and Fair Elections															
Bilateral		0						0							0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 2: Successful Transition from Relief to Recovery Through a Community Reintegration Program															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 3:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 4:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 5:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 6:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 7:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 8:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
Total Bilateral	0	0	0	0	0	0	0	0	0	0		0	0	0	0
Total Field Support	0	0	0	0	0	0	0	0	0	0		0	0	0	0
<b>TOTAL PROGRAM</b>	0	0	0	0	0	0	0	0	0	0		0	0	0	0

### FY 2001 Request Agency Goal Totals

Econ Growth	0
Democracy	0
HCD	0
PHN	0
Environment	0
GCC (from all Goals)	0

### FY 2001 Account Distribution (DA only)

DA Program Total	0
CSD Program Total	0
<b>TOTAL</b>	0

Prepare one set of tables for each Fiscal Year (FY2001, FY2002, FY2003)

Prepare one set of tables for each appropriation Account

Tables for DA and CSD may be combined on one table.

For the DA/CSD Table, columns marked with (\*) will be funded from the CSD Account.

## FY 2002 Budget Request by Program/Country

Fiscal Year: 2002      Program/Country:  
 Approp: FSA  
 Scenario:

FY 2002 Request															
S.O. # , Title	Starting Pipeline	Total	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival & Maternal Health (*)	Other Infectious Diseases (*)	HIV/AIDS (*)	Vulnerable Children (*)	Environ	D/G	Est. S.O. Expenditures	Est. S.O. Pipeline End of 2002
SO 1: Successful Democratic Transition Including Free and Fair Elections															
Bilateral		0						0							0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 2: Successful Transition from Relief to Recovery Through a Community Reintegration Program															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 3:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 4:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 5:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 6:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 7:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 8:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
Total Bilateral	0	0	0	0	0	0	0	0	0	0		0	0	0	0
Total Field Support	0	0	0	0	0	0	0	0	0	0		0	0	0	0
<b>TOTAL PROGRAM</b>	0	0	0	0	0	0	0	0	0	0		0	0	0	0

### FY 2002 Request Agency Goal Totals

Econ Growth	0
Democracy	0
HCD	0
PHN	0
Environment	0
GCC (from all Goals)	0

### FY 2002 Account Distribution (DA only)

DA Program Total	0
CSD Program Total	0
<b>TOTAL</b>	0

Prepare one set of tables for each Fiscal Year (FY2001, FY2002, FY2003)

Prepare one set of tables for each appropriation Account

Tables for DA and CSD may be combined on one table.

For the DA/CSD Table, columns marked with (\*) will be funded from the CSD Account.



## FY 2002 ALT Budget Request by Program/Country

Fiscal Year: 2002 ALT Program/Country:  
 Approp: FSA  
 Scenario:

FY 2002 ALT Request															
S.O. # , Title	Starting Pipeline	Total	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival & Maternal Health (*)	Other Infectious Diseases (*)	HIV/AIDS (*)	Vulnerable Children (*)	Environ	D/G	Est. S.O. Expenditures	Est. S.O. Pipeline End of 2002 ALT
SO 1: Successful Democratic Transition Including Free and Fair Elections															
Bilateral		0						0							0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 2: Successful Transition from Relief to Recovery Through a Community Reintegration Program															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 3:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 4:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 5:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 6:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 7:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 8:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
Total Bilateral	0	0	0	0	0	0	0	0	0	0		0	0	0	0
Total Field Support	0	0	0	0	0	0	0	0	0	0		0	0	0	0
<b>TOTAL PROGRAM</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### FY 2002 ALT Request Agency Goal Totals

Econ Growth	0
Democracy	0
HCD	0
PHN	0
Environment	0
GCC (from all Goals)	0

### FY 2002 ALT Account Distribution (DA only)

DA Program Total	0
CSD Program Total	0
<b>TOTAL</b>	<b>0</b>

Prepare one set of tables for each Fiscal Year (FY2001, FY2002, FY2003)

Prepare one set of tables for each appropriation Account

Tables for DA and CSD may be combined on one table.

For the DA/CSD Table, columns marked with (\*) will be funded from the CSD Account.

## FY 2003 Budget Request by Program/Country

Fiscal Year: 2003      Program/Country:  
 Approp: FSA  
 Scenario:

FY 2003 Request															
S.O. # , Title	Starting Pipeline	Total	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival & Maternal Health (*)	Other Infectious Diseases (*)	HIV/AIDS (*)	Vulnerable Children (*)	Environ	D/G	Est. S.O. Expenditures	Est. S.O. Pipeline End of 2003
SO 1: Successful Democratic Transition Including Free and Fair Elections															
Bilateral		0						0							0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 2: Successful Transition from Relief to Recovery Through a Community Reintegration Program															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 3:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 4:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 5:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 6:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 7:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 8:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
Total Bilateral	0	0	0	0	0	0	0	0	0	0		0	0	0	0
Total Field Support	0	0	0	0	0	0	0	0	0	0		0	0	0	0
<b>TOTAL PROGRAM</b>	0	0	0	0	0	0	0	0	0	0		0	0	0	0

### FY 2003 Request Agency Goal Totals

Econ Growth	0
Democracy	0
HCD	0
PHN	0
Environment	0
GCC (from all Goals)	0

### FY 2003 Account Distribution (DA only)

DA Program Total	0
CSD Program Total	0
<b>TOTAL</b>	0

Prepare one set of tables for each Fiscal Year (FY2001, FY2002, FY2003)

Prepare one set of tables for each appropriation Account

Tables for DA and CSD may be combined on one table.

For the DA/CSD Table, columns marked with (\*) will be funded from the CSD Account.

## FY 2001 Budget Request by Program/Country

Fiscal Year: 2001      Program/Country: Croatia  
 Approp: AEEB  
 Scenario:

FY 2001 Request															
S.O. # , Title	Starting Pipeline	Total	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival & Maternal Health (*)	Other Infectious Diseases (*)	HIV/AIDS (*)	Vulnerable Children (*)	Environ	D/G	Est. S.O. Expenditures	Est. S.O. Pipeline End of 2001
SO 1.3: Growth of a Dynamic and Competitive Private Sector															
Bilateral	3,142,000	16,850,000						0						13,113,000	6,879,000
Field Spt		0												0	0
	3,142,000	16,850,000	0	0	0	0	0	0	0	0		0	0	13,113,000	6,879,000
SO 2.1: More Effective Citizen Participation and Improved Governance															
Bilateral	5,554,000	12,900,000												9,609,000	8,845,000
Field Spt		0												0	0
	5,554,000	12,900,000	0	0	0	0	0	0	0	0		0	0	9,609,000	8,845,000
SO 3.1: Accelerated Return and Sustainable Reintegration of War-Affected Populations															
Bilateral	11,972,000	11,130,000												6,050,000	17,052,000
Field Spt		0												0	0
	11,972,000	11,130,000	0	0	0	0	0	0	0	0		0	0	6,050,000	17,052,000
SO 3.4: Mitigation of Adverse Social Conditions and Trends															
Bilateral		2,660,000												2,010,000	650,000
Field Spt		0												0	0
	0	2,660,000	0	0	0	0	0	0	0	0		0	0	2,010,000	650,000
SO 4.2: Cross Cutting															
Bilateral		985,000												810,000	175,000
Field Spt		0												0	0
	0	985,000	0	0	0	0	0	0	0	0		0	0	810,000	175,000
SO 6:															
Bilateral		0													0
Field Spt		0												0	0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 7:															
Bilateral		0													0
Field Spt		0												0	0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 8:															
Bilateral		0													0
Field Spt		0												0	0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
Total Bilateral	20,668,000	44,525,000	0	0	0	0	0	0	0	0		0	0	31,592,000	33,601,000
Total Field Support	0	0	0	0	0	0	0	0	0	0		0	0	0	0
<b>TOTAL PROGRAM</b>	<b>20,668,000</b>	<b>44,525,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>31,592,000</b>	<b>33,601,000</b>

### FY 2001 Request Agency Goal Totals

Econ Growth	16,850,000
Democracy	12,900,000
HCD	0
PHN	0
Environment	0
GCC (from all Goals)	44,525,000

### FY 2001 Account Distribution (DA only)

DA Program Total	
CSD Program Total	0
<b>TOTAL</b>	<b>0</b>

Prepare one set of tables for each Fiscal Year (FY2001, FY2002, FY2003)

Prepare one set of tables for each appropriation Account

Tables for DA and CSD may be combined on one table.

For the DA/CSD Table, columns marked with (\*) will be funded from the CSD Account.

## FY 2002 Budget Request by Program/Country

Fiscal Year: 2002      Program/Country: CROATIA  
 Approp: SEED  
 Scenario:

FY 2002 Request															
S.O. # , Title	Starting Pipeline	Total	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival & Maternal Health (*)	Other Infectious Diseases (*)	HIV/AIDS (*)	Vulnerable Children (*)	Environ	D/G	Est. S.O. Expenditures	Est. S.O. Pipeline End of 2002
SO 1.3: Growth of a Dynamic and Competitive Private Sector															
Bilateral	6,879,000	17,750,000						0						19,150,000	5,469,000
Field Spt		0												0	0
	6,879,000	17,750,000	0	0	0	0	0	0	0	0	0	0	0	19,150,000	5,469,000
SO 2.1: More Effective Citizen Participation and Improved Governance															
Bilateral	8,845,000	12,000,000												12,700,000	8,145,000
Field Spt		0												0	0
	8,845,000	12,000,000	0	0	0	0	0	0	0	0	0	0	0	12,700,000	8,145,000
SO 3.1: Accelerated Return and Sustainable Reintegration of War-Affected Populations															
Bilateral	17,052,000	10,500,000												13,100,000	14,452,000
Field Spt		0												0	0
	17,052,000	10,500,000	0	0	0	0	0	0	0	0	0	0	0	13,100,000	14,452,000
SO 3.4: Mitigation of Adverse Social Conditions and Trends															
Bilateral	650,000	3,600,000												3,750,000	500,000
Field Spt		0												0	0
	650,000	3,600,000	0	0	0	0	0	0	0	0	0	0	0	3,750,000	500,000
SO 4.2 Cross-Cutting Programs															
Bilateral	175,000	1,150,000												1,030,000	1,295,000
Field Spt		0												0	0
	175,000	1,150,000	0	0	0	0	0	0	0	0	0	0	0	1,030,000	1,295,000
SO 6:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 7:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 8:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral	45,000,000	#REF!	0	0	0	0	0	0	0	0		0	0	49,730,000	29,861,000
Total Field Support	0	0	0	0	0	0	0	0	0	0		0	0	0	0
<b>TOTAL PROGRAM</b>	<b>33,601,000</b>	<b>45,000,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>49,730,000</b>	<b>29,861,000</b>

### FY 2002 Request Agency Goal Totals

Econ Growth	17,750,000
Democracy	12,000,000
HCD	0
PHN	0
Environment	0
GCC (from all Goals)	45,000,000

### FY 2002 Account Distribution (DA only)

DA Program Total	
CSD Program Total	0
<b>TOTAL</b>	<b>0</b>

Prepare one set of tables for each Fiscal Year (FY2001, FY2002, FY2003)

Prepare one set of tables for each appropriation Account

Tables for DA and CSD may be combined on one table.

For the DA/CSD Table, columns marked with (\*) will be funded from the CSD Account.

## FY 2002 ALT Budget Request by Program/Country

Fiscal Year: 2002 ALT Program/Country:  
 Approp: AEEB  
 Scenario:

FY 2002 ALT Request															
S.O. # , Title	Starting Pipeline	Total	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival & Maternal Health (*)	Other Infectious Diseases (*)	HIV/AIDS (*)	Vulnerable Children (*)	Environ	D/G	Est. S.O. Expenditures	Est. S.O. Pipeline End of 2002 ALT
SO 1.3: Growth of a Dynamic and Competitive Private Sector															
Bilateral		0						0							0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 2.1: More Effective Citizen Participation and Improved Governance															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 3.1: Accelerated Return and Sustainable Reintegration of War-Affected Populations															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 3.4: Mitigation of Adverse Social Conditions and Trends															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 4.2: Cross-Cutting Initiatives															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 5:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 6:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 7:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
Total Bilateral	0	0	0	0	0	0	0	0	0	0		0	0	0	0
Total Field Support	0	0	0	0	0	0	0	0	0	0		0	0	0	0
<b>TOTAL PROGRAM</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### FY 2002 ALT Request Agency Goal Totals

Econ Growth	0
Democracy	0
HCD	0
PHN	0
Environment	0
GCC (from all Goals)	0

### FY 2002 ALT Account Distribution (DA only)

DA Program Total	0
CSD Program Total	0
<b>TOTAL</b>	<b>0</b>

Prepare one set of tables for each Fiscal Year (FY2001, FY2002, FY2003)

Prepare one set of tables for each appropriation Account

Tables for DA and CSD may be combined on one table.

For the DA/CSD Table, columns marked with (\*) will be funded from the CSD Account.

## FY 2003 Budget Request by Program/Country

Fiscal Year: 2003      Program/Country: CROATIA  
 Approp: AEEB  
 Scenario:

FY 2003 Request															
S.O. # , Title namic and Competi	Starting Pipeline	Total	Agri- culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival & Maternal Health (*)	Other Infectious Diseases (*)	HIV/AIDS (*)	Vulnerable Children (*)	Environ	D/G	Est. S.O. Expendi- tures	Est. S.O. Pipeline End of 2003
SO 1.3: Growth of a Dynamic and Competitive Private Sector															
Bilateral	5,469,000	14,850,000						0						14,994,000	5,325,000
Field Spt		0												0	0
		14,850,000	0	0	0	0	0	0	0	0		0	0	14,994,000	5,325,000
SO 2.1: More Effective Citizen Participation and Improved Governance															
Bilateral	8,145,000	10,900,000												12,450,000	6,593,000
Field Spt		0												0	0
	8,145,000	10,900,000	0	0	0	0	0	0	0	0		0	0	12,450,000	6,593,000
SO 3.1: Accelerated Return and Sustainable Reintegration of War-Affected Populations															
Bilateral	14,452,000	9,000,000												16,100,000	7,352,000
Field Spt		0												0	0
	14,452,000	9,000,000	0	0	0	0	0	0	0	0		0	0	16,100,000	7,352,000
SO 3.4: Mitigation of Adverse Social Conditions and Trends															
Bilateral	500,000	4,100,000												4,075,000	525,000
Field Spt		0												0	0
	500,000	4,100,000	0	0	0	0	0	0	0	0		0	0	4,075,000	525,000
SO 4.2 Cross-Cutting Initiative															
Bilateral	1,295,000	1,150,000												1,150,000	1,295,000
Field Spt		0												0	0
	1,295,000	1,150,000	0	0	0	0	0	0	0	0		0	0	1,150,000	1,295,000
SO 6:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 7:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
SO 8:															
Bilateral		0													0
Field Spt		0													0
	0	0	0	0	0	0	0	0	0	0		0	0	0	0
Total Bilateral		40,000,000	0	0	0	0	0	0	0	0		0	0	48,769,000	21,090,000
Total Field Support	0	0	0	0	0	0	0	0	0	0		0	0	0	0
<b>TOTAL PROGRAM</b>	<b>24,392,000</b>	<b>40,000,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>48,769,000</b>	<b>21,090,000</b>

### FY 2003 Request Agency Goal Totals

Econ Growth	14,850,000
Democracy	10,900,000
HCD	0
PHN	0
Environment	0
GCC (from all Goals)	40,000,000

### FY 2003 Account Distribution (DA only)

DA Program Total	
CSD Program Total	0
<b>TOTAL</b>	<b>0</b>

Prepare one set of tables for each Fiscal Year (FY2001, FY2002, FY2003)

Prepare one set of tables for each appropriation Account

Tables for DA and CSD may be combined on one table.

For the DA/CSD Table, columns marked with (\*) will be funded from the CSD Account.

Workforce Tables

Org_ USAID/CROATIA																	
End of year On-Board									Total	Org.	Fin.	Admin.	Con-	All		Total	Total
FY 2001 Actual	SO 1.3	SO 2.1	SO 3.1	SO 3.4	SO 4.1	SpO1	SpO2	SO/SpO	Mgmt.	Mgmt	Mgmt	tract	Legal	Other	Mgmt.	Staff	
OE Funded: 1/ U.S. Direct Hire	1			1				2	2						2	4	
Other U.S. Citizens								0			1				1	1	
FSN/TCN Direct Hire								0							0	0	
Other FSN/TCN								0	2	1	7				10	10	
Subtotal	1	0	0	1	0	0	0	2	4	1	8	0	0	0	13	15	
Program Funded 1/ U.S. Citizens	1	2	2					5							0	5	
FSNs/TCNs	3	4	6	1				14							0	14	
Subtotal	4	6	8	1	0	0	0	19	1	0	0	0	0	0	0	19	
Total Direct Workforce	5	6	8	2	0	0	0	21	5	1	8	0	0	0	13	34	
TAACS								0							0	0	
Fellows								0							0	0	
IDIs								0							0	0	
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
TOTAL WORKFORCE	5	6	8	2	0	0	0	21	5	1	8	0	0	0	13	34	

Workforce Tables

Org__USAID/CROATIA _____																	
FY 2002 Target	SO 1.3	SO 2.1	SO 3.1	SO 3.4	SO 4.2	SpO1	SpO2	Total SO/SpO	Org. Mgmt.	Fin. Mgmt	Admin. Mgmt	Con-tract	Legal	All Other	Total Mgmt.	Total Staff	
OE Funded: 1/																	
U.S. Direct Hire	1			1				2	2						2	4	
Other U.S. Citizens								0	1		1				2	2	
FSN/TCN Direct Hire								0							0	0	
Other FSN/TCN								0	2	1	8				11	11	
Subtotal	1	0	0	1	0	0	0	2	5	1	9	0	0	0	15	17	
Program Funded 1/																	
U.S. Citizens	1	2	2					5							0	5	
FSNs/TCNs	3	4	6	1				14							0	14	
Subtotal	4	6	8	1	0	0	0	19	0	0	0	0	0	0	0	19	
Total Direct Workforce	5	6	8	2	0	0	0	21	5	1	9	0	0	0	15	36	
TAACS									0							0	0
Fellows									0							0	0
IDIs									0							0	0
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
TOTAL WORKFORCE	5	6	8	2	0	0	0	21	5	1	9	0	0	0	15	36	



Workforce Tables

Org__USAID/CROATIA_____								Total SO/SpO Staff	Org. Mgmt.	Fin. Mgmt	Admin. Mgmt	Con- tract	Legal	All Other	Total Mgmt.	Total Staff
<b>FY 2003 Target</b>	SO 1.3	SO 2.1	SO 3.1	SO 3.4	SO 4.2	SpO1	SpO2									
<b>OE Funded: 1/</b>																
U.S. Direct Hire	1			1				2	2						2	4
Other U.S. Citizens								0	1		1				2	2
FSN/TCN Direct Hire								0							0	0
Other FSN/TCN								0	2	1	8				11	11
Subtotal	1	0	0	1	0	0	0	2	5	1	9	0	0	0	15	17
<b>Program Funded 1/</b>																
U.S. Citizens	1	2	2					5							0	5
FSNs/TCNs	3	4	6	1				14							0	14
Subtotal	4	6	8	1	0	0	0	19	0	0	0	0	0	0	0	19
Total Direct Workforce	5	6	8	2	0	0	0	21	5	1	9	0	0	0	15	36
TAACS								0							0	0
Fellows								0							0	0
IDIs								0							0	0
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL WORKFORCE	5	6	8	2	0	0	0	21	5	1	9	0	0	0	15	36

# USDH Staffing Requirements by Backstop, FY 2001 - FY 2004

Mission:

please fill in mission name

Occupational Backstop (BS)	Number of USDH Employees in Backstop in:			
	FY 2001	FY 2002	FY 2003	FY 2004
Senior Management				
<b>SMG - 01</b>	1	1	1	1
Program Management				
<b>Program Mgt - 02</b>	1	1	1	1
<b>Project Dvpm Officer - 94</b>	1	1	1	1
Support Management				
<b>EXO - 03</b>				
<b>Controller - 04</b>				
<b>Legal - 85</b>				
<b>Commodity Mgt. - 92</b>				
<b>Contract Mgt. - 93</b>				
Sector Management				
<b>Agriculture - 10 &amp; 14</b>				
<b>Economics - 11</b>	1	1	1	1
<b>Democracy - 12</b>				
<b>Food for Peace - 15</b>				
<b>Private Enterprise - 21</b>				
<b>Engineering - 25</b>				
<b>Environment - 40 &amp; 75</b>				
<b>Health/Pop. - 50</b>				
<b>Education - 60</b>				
<b>Total</b>	4	4	4	4

**GDOs:** If you have a position that is currently designated a BS-12 GDO, list that position under the occupational backstop that most closely reflects the skills needed for the position.  
**RUDOs:** do not forget to include those who were in UE-funded RUDO positions.  
 remaining **IDIs:** list under the occupational Backstop for the work they do.

Please e-mail this worksheet in Excel to: Maribeth Zankowski@HR.PPIM@aidw and to M. Cary Kauffman@HR.PPIM@aidw as well as include it with your R4 submission.

**OPERATING EXPENSES**

Org. Title: Org. No: OC		Overseas Mission Budgets														
		FY 2001			FY 2002			FY 2003			FY 2004			FY 2005		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
11.1	Personnel compensation, full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.1	Base Pay & pymt. for annual leave balances - FNDH			0			0			0			0			0
	Subtotal OC 11.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11.3	Personnel comp. - other than full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.3	Base Pay & pymt. for annual leave balances - FNDH			0			0			0			0			0
	Subtotal OC 11.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11.5	Other personnel compensation	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.5	USDH			0			0			0			0			0
11.5	FNDH			0			0			0			0			0
	Subtotal OC 11.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11.8	Special personal services payments	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.8	USPSC Salaries	95		95	97		97	98		98	100		100	102		102
11.8	FN PSC Salaries	270		270	280		280	290		290	310		310	320		320
11.8	IPA/Details-In/PASAs/RSSAs Salaries			0			0			0			0			0
	Subtotal OC 11.8	365	0	365	377	0	377	388	0	388	410	0	410	422	0	422
12.1	Personnel benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	USDH benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Educational Allowances	50		50	25		25	25		25	50		50	50		50
12.1	Cost of Living Allowances	15		15	15		15	15		15	15		15	15		15
12.1	Home Service Transfer Allowances	1		1			0			0			0			0
12.1	Quarters Allowances	15		15			0			0	20		20			0
12.1	Other Misc. USDH Benefits			0			0			0			0			0
12.1	FNDH Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	** Payments to FSN Voluntary Separation Fund - FNDH			0			0			0			0			0
12.1	Other FNDH Benefits			0			0			0			0			0
12.1	US PSC Benefits	5		5	5		5	7		7	8		8	8		8
12.1	FN PSC Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	** Payments to the FSN Voluntary Separation Fund - FN PSC			0			0			0			0			0
12.1	Other FN PSC Benefits			0			0			0			0			0
12.1	IPA/Detail-In/PASA/RSSA Benefits			0			0			0			0			0
	Subtotal OC 12.1	86	0	86	45	0	45	47	0	47	93	0	93	73	0	73
13.0	Benefits for former personnel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	FNDH	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FNDH			0			0			0			0			0
13.0	Other Benefits for Former Personnel - FNDH			0			0			0			0			0
13.0	FN PSCs	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FN PSCs			0			0			0			0			0
13.0	Other Benefits for Former Personnel - FN PSCs			0			0			0			0			0
	Subtotal OC 13.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21.0	Travel and transportation of persons	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Training Travel	20		20	15		15	10		10	12		12	10		10
21.0	Mandatory/Statutory Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Post Assignment Travel - to field	15		15	0		0			0	8		8	4		4

**OPERATING EXPENSES**

Org. Title:		Overseas Mission Budgets														
Org. No:																
OC		FY 2001			FY 2002			FY 2003			FY 2004			FY 2005		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
21.0	Assignment to Washington Travel	4		4	0		0	0		0	8		8	4		4
21.0	Home Leave Travel			0	10		10	5		5	5		5	5		5
21.0	R & R Travel	5		5	4		4	4		4	3		3			0
21.0	Education Travel			0			0			0			0			0
21.0	Evacuation Travel			0			0			0			0			0
21.0	Retirement Travel			0			0			0			0			0
21.0	Pre-Employment Invitational Travel			0			0			0			0			0
21.0	Other Mandatory/Statutory Travel			0			0			0			0			0
21.0	Operational Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Site Visits - Headquarters Personnel	20		20	20		20	20		20	20		20	15		15
21.0	Site Visits - Mission Personnel	23		23	23		23	23		23	23		23	20		20
21.0	Conferences/Seminars/Meetings/Retreats	15		15	15		15	15		15	15		15	15		15
21.0	Assessment Travel			0			0			0			0			0
21.0	Impact Evaluation Travel			0			0			0			0			0
21.0	Disaster Travel (to respond to specific disasters)			0			0			0			0			0
21.0	Recruitment Travel			0			0			0			0			0
21.0	Other Operational Travel	10		10	10		10	12		12	10		10	10		10
Subtotal OC 21.0		112	0	112	97	0	97	89	0	89	104	0	104	83	0	83
22.0	Transportation of things	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
22.0	Post assignment freight	160		160	0		0	0		0	160		160	70		70
22.0	Home Leave Freight			0	10		10	10		10			0	5		5
22.0	Retirement Freight			0			0			0			0			0
22.0	Transportation/Freight for Office Furniture/Equip.	2		2	3		3	5		5	3		3	5		5
22.0	Transportation/Freight for Res. Furniture/Equip.	5		5	2		2	2		2	2		2	2		2
Subtotal OC 22.0		167	0	167	15	0	15	17	0	17	165	0	165	82	0	82
23.2	Rental payments to others	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.2	Rental Payments to Others - Office Space	95		95	96		96	96		96	50		50			0
23.2	Rental Payments to Others - Warehouse Space	28		28	28		28	25		25	25		25	25		25
23.2	Rental Payments to Others - Residences	220		220	225		225	230		230	235		235	240		240
Subtotal OC 23.2		343	0	343	349	0	349	351	0	351	310	0	310	265	0	265
23.3	Communications, utilities, and miscellaneous charges	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.3	Office Utilities	15		15	16		16	17		17	5		5			0
23.3	Residential Utilities	22		22	23		23	24		24	25		25	25		25
23.3	Telephone Costs	40		40	42		42	42		42	42		42	42		42
23.3	ADP Software Leases			0			0			0			0			0
23.3	ADP Hardware Lease			0			0			0			0			0
23.3	Commercial Time Sharing			0			0			0			0			0
23.3	Postal Fees (Other than APO Mail)	1		1	1		1	1		1	1		1	1		1
23.3	Other Mail Service Costs	1		1	1		1	1		1	1		1	1		1
23.3	Courier Services	4		4	4		4	4		4	4		4	4		4
Subtotal OC 23.3		83	0	83	87	0	87	89	0	89	78	0	78	73	0	73
24.0	Printing and Reproduction			0			0			0			0			0
Subtotal OC 24.0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25.1	Advisory and assistance services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.1	Studies, Analyses, & Evaluations			0			0			0			0			0

**OPERATING EXPENSES**

Org. Title: Org. No: OC		Overseas Mission Budgets														
		FY 2001			FY 2002			FY 2003			FY 2004			FY 2005		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
25.1	Management & Professional Support Services			0			0			0			0			0
25.1	Engineering & Technical Services			0			0			0			0			0
	Subtotal OC 25.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25.2	Other services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.2	Office Security Guards			0			0			0			0			0
25.2	Residential Security Guard Services			0			0			0			0			0
25.2	Official Residential Expenses			0			0			0			0			0
25.2	Representation Allowances	2		2	2		2	2		2	2		2	2		2
25.2	Non-Federal Audits			0			0			0			0			0
25.2	Grievances/Investigations			0			0			0			0			0
25.2	Insurance and Vehicle Registration Fees	3		3	3		3	3		3	3		3	3		3
25.2	Vehicle Rental			0			0			0			0			0
25.2	Manpower Contracts			0			0			0			0			0
25.2	Records Declassification & Other Records Services			0			0			0			0			0
25.2	Recruiting activities			0			0			0			0			0
25.2	Penalty Interest Payments			0			0			0			0			0
25.2	Other Miscellaneous Services	20		20	20		20	20		20	20		20	20		20
25.2	Staff training contracts			0			0			0			0			0
25.2	ADP related contracts			0			0			0			0			0
	Subtotal OC 25.2	25	0	25	25	0	25	25	0	25	25	0	25	25	0	25
25.3	Purchase of goods and services from Government accounts	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.3	ICASS	160		160	170		170	250		250	255		255	260		260
25.3	All Other Services from Other Gov't. accounts			0			0			0			0			0
	Subtotal OC 25.3	160	0	160	170	0	170	250	0	250	255	0	255	260	0	260
25.4	Operation and maintenance of facilities	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.4	Office building Maintenance	3		3	3		3	1		1	0		0			0
25.4	Residential Building Maintenance	5		5	5		5	4		4	4		4	4		4
	Subtotal OC 25.4	8	0	8	8	0	8	5	0	5	4	0	4	4	0	4
25.6	Medical Care															
	Subtotal OC 25.6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25.7	Operation/maintenance of equipment & storage of goods	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.7	ADP and telephone operation and maintenance costs			0			0			0			0			0
25.7	Storage Services			0			0			0			0			0
25.7	Office Furniture/Equip. Repair and Maintenance	4		4	4		4	5		5	0		0	5		5
25.7	Vehicle Repair and Maintenance	5		5	5		5	7		7	6		6	7		7
25.7	Residential Furniture/Equip. Repair and Maintenance	5		5	5		5	5		5	5		5	5		5
	Subtotal OC 25.7	14	0	14	14	0	14	17	0	17	11	0	11	17	0	17
25.8	Substance & spt. of persons (by contract or Gov't.)			0			0			0			0			0
	Subtotal OC 25.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26.0	Supplies and materials	8		8	10		10	8		8	8		8	8		8
	Subtotal OC 26.0	8	0	8	10	0	10	8	0	8	8	0	8	8	0	8

**OPERATING EXPENSES**

Org. Title: USAID/CROATIA		Overseas Mission Budgets														
Org. No: 22160		FY 2001			FY 2002			FY 2003			FY 2004			FY 2005		
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
31.0	Equipment	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
31.0	Purchase of Residential Furniture/Equip.	25		25	20		20	10		10	10		10	10		10
31.0	Purchase of Office Furniture/Equip.	8		8	20		20	30		30	10		10	10		10
31.0	Purchase of Vehicles			0	40		40	0		0	40		40			0
31.0	Purchase of Printing/Graphics Equipment	5		5	0		0			0	0		0			0
31.0	ADP Hardware purchases	5		5	10		10	5		5	10		10	5		5
31.0	ADP Software purchases	5		5	5		5	5		5	5		5	5		5
Subtotal OC 31.0		48	0	48	95	0	95	50	0	50	75	0	75	30	0	30
32.0	Lands and structures	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
32.0	Purchase of Land & Buildings (& bldg. construction)			0			0			0			0			0
32.0	Purchase of fixed equipment for buildings			0			0			0			0			0
32.0	Building Renovations/Alterations - Office	15		15			0	60		60			0			0
32.0	Building Renovations/Alterations - Residential			0			0			0			0			0
Subtotal OC 32.0		15	0	15	0	0	0	60	0	60	0	0	0	0	0	0
42.0	Claims and indemnities			0			0			0			0			0
Subtotal OC 42.0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL BUDGET		1434	0	1434	1292	0	1292	1396	0	1396	1538	0	1538	1342	0	1342

**Additional Mandatory Information**

**Dollars Used for Local Currency Purchases**

**Exchange Rate Used in Computations**

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If data is shown on either of these lines, you MUST submit the form showing deposits to and withdrawals from the FSN Voluntary Separation Fund.

On that form, OE funded deposits must equal:

0 0 0

## ***STRATEGIC OBJECTIVE 3.4***

### ***MITIGATION OF ADVERSE SOCIAL CONDITIONS AND TRENDS***

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- B. Problem Analysis
- C. Results Framework
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    - IR 3.4.1: Improved Efficiency of Pension Systems
    - IR 3.4.2: Restructured Labor Market and Tripartite Social Pact
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### ***STRATEGIC OBJECTIVE 3.4:***

## ***MITIGATION OF ADVERSE SOCIAL CONDITIONS AND TRENDS***

### **Introduction**

Croatia suffers from social problems typical of transition countries, including high unemployment, increasing income inequality, costly and inefficient health, pension and social welfare systems, disaffected youth, a rising rate of drug abuse, and declining school enrollment. These problems are a legacy of both the socialist decades and the breakdown of the economy since independence in 1991. The Balkan conflict of 1991-95 and the policies of the Tudjman regime also contributed significantly to neglect of social issues and hence to their exacerbation. As economic restructuring picks up momentum in the next few years, unemployment and fiscal austerity are expected to increase social stresses, yet public opinion surveys indicate that Croatian voters hold high expectations for improved social conditions accompanying economic recovery under the new Government. Failure to deliver on these expectations could seriously erode popular support for reforms and endanger political stability.

### **A. Statement of Strategic Objective**

Under this Strategic Objective, USAID will undertake modest and carefully targeted interventions aimed at contributing to the public-private dialogue on social reform, particularly activities that support a well-functioning labor market and a multi-pillar pension system. Reforms in the area of income security typically raise challenging questions on inclusion and exclusion; USAID programs therefore will also address specific components of unemployment and categories of citizens who do not benefit from the evolving pension system.

Building on its ongoing program of support to labor union development and labor participation in decision-making on economic reform, USAID will reinforce the GOC's effort to engage unions and employers on issues such as labor code reform, wage policy, job creation, competitiveness, productivity, and downsizing and workforce adjustment issues as a result of privatization and the liquidation of state-owned enterprises. Support for this three-party dialogue, also referred to as a "tripartite process," is an integral step to the GOC's goal of achieving a social pact among the three interests under which they can work together toward economic reform and growth.

USAID will also play an important niche role in pension reform by helping the Ministry of Labor and Social Welfare and the Croatian public prepare for major changes in the pension system that will be financed under a World Bank loan.



As a complement to its activities in labor market and pension reform, USAID will also support pilot efforts to identify and assist groups who tend to be excluded from employment opportunities and/or pension benefits as a result of status, location, legal modifications, or persistent incongruities within the law.

Other initiatives under this SO, to be considered if resource and staffing levels permit, may include efforts to improve health care policy and delivery at the local level, public health information campaigns on key issues (including HIV-AIDS), youth, and educational initiatives and programs targeted at minority and women's issues including international trafficking. In the later years of this strategy period, SO 3.4 is likely to assume responsibility for assistance now being supported under SO3.1, to returned minority refugees and other vulnerable groups affected by the conflict of 1991-95.

Activities directed at vulnerable groups for support under this IR will be selected by the Mission taking into account the relative priority of the problems, the availability of adequate financial resources, and availability of staff and partners who can deal with the sectoral areas involved.

The timeframe for funding of this new SO will be for FY 2001-2005, the full period of the new strategy. As noted above, the scope of this SO may be modified after FY 2003 based on reviews of the status of SO 3.1 activities.

## **B. Problem Analysis**

Like virtually all transition countries, Croatia historically offered its citizens generous and broad-based social benefits, but these have suffered since independence from inefficiency, unsustainably high costs and payment arrears. Despite a failure to target social benefits to those most in need, and evidence that the poorest and most vulnerable in fact receive the least in social protection, Croatia's poverty rate is remarkably low – 4 percent by a measure of absolute poverty and 8.4 percent in relative terms, according to the World Bank. While this poverty rate is much lower than the Eastern Europe average, income inequality is high and growing, and a recent public opinion survey revealed that some 80 percent of the population perceive themselves to be poor. This perception is the likely result of negative trends, causing respondents to compare their current and past conditions unfavorably. It also reflects Croatia's unfavorable relative position in terms of purchasing power: for example, while per capita GNP in Croatia is close to that of Hungary (at \$4,580 and \$4,650 respectively), when measured by purchasing power parity, Croatia lags far behind Hungary (78<sup>th</sup> in the world at \$6,915 vs. 60<sup>th</sup> at \$10,649).

### **Labor Market Situation:**

The Croatian wage structure contains distortions that compensate Government workers at rates well above private sector averages, with the result that the Government wage bill accounts for 11.2 percent of GDP, compared with a 3.6 percent average for CEE countries. Large wage disparities also exist across education levels

and occupations, with unionized industry jobs most likely to be at wage levels that approach the poverty line. Unemployment, too, varies with education level, with 10-11 percent of the least educated and skilled unemployed, compared with only 2 percent of university graduates. Surprisingly, however, the highest unemployment is found among “skilled or highly skilled workers”, with 19 percent of males and 15 percent of females in this group being unemployed. (This may reflect a definitional problem.) In most worker groups, unemployment rates do not differ significantly by gender; the two exceptions are the group just cited and that of secondary school graduates, with 8 percent of males and 15 percent of female high school graduates unemployed. Age is also a significant factor, with 29% of the total unemployed workforce falling between ages 15 and 24.

A particularly surprising aspect of the Croatian labor market is the high number of persons between 25 and 64 who are not in the active labor force. If the numbers can be trusted – and that is unclear – there are 687,000 inactive workers in this age range, compared with 1.4 million members of the active labor force. The explanation is elusive, but among the posited reasons are incentive programs of the early 1990’s that led many workers into early retirement, generous (and probably abused) disability programs for war veterans, and poor accountability for claims for various kinds of welfare benefits. It appears that for many people, being on welfare or pension makes more economic sense than seeking employment, particularly in a low-wage job. Also contributing to unemployment are structural rigidities of the labor code that discourage part-time employment, self-employment and small enterprise development, driving people into the informal or “gray” economy.

Issues such as wage rates, labor code reform, and the size of the public sector, have taken on greater urgency as Croatia deepens its commitments to EU accession and other international commitments and standards.

### **Reform Priorities for Croatia:**

Restructuring the pension and health systems is a top priority for the Government and a condition imposed by the World Bank and the IMF for future lending. Progress to date has been slow, however, and marked by frequent postponements. In 2000, the Ministry of Finance moved to bring the pension and health funds “on budget,” but the introduction of a “pillar two” pension program – a mandatory program of worker contributions to be invested for long-term growth and future income – is scheduled for introduction in 2002. To help prepare for the new system, USAID was requested by the Ministry of Labor and Social Welfare to support a public education campaign that will explain the concepts of private retirement savings and investment to the Croatian public. A supplementary request was made to provide training for fund managers and employers on compliance measures for the “pillar two” pension fund.

Given the country’s high unemployment rate – whether one accepts the high estimate of 22 percent or the ILO adjusted calculation of 15 percent (which attempts to count employment in the informal sector) -- as well as the prospect of increased job losses and a rising level of long-term joblessness, it is apparent that the most serious

cluster of social transition issues in Croatia are those associated with employment and income security. The problems are complex and rooted in multiple causes – a rigid labor code, the dominance of administratively determined public-sector wages in the economy, the economic disincentives to hiring new workers, hidden employment in the gray economy, and a lack of competitive forces to drive productivity gains being the most important.

Unemployment is likely to worsen in the short- to medium-term. Under its Stand-by Agreement with the IMF, the GOC has committed to reducing the public sector wage bill by several thousand jobs – an important step, but one that could result in the loss of an additional 10,000 jobs. Especially disadvantaged categories among the unemployed include recent workforce entrants, women, and industrial workers.

Jobs and wages are such difficult challenges to political consensus that the six-party coalition that came into power in January 2000 committed itself to the revitalization of a tripartite economic and social council (GSV) where Government leaders, labor unions and employers' associations could represent their respective constituencies in talks aimed at reaching agreements to guide public policy. Negotiations in the GSV have yet to result in consensus on basic elements of the social pact, but at least have kept the lines of communication open.

USAID will support progress in the tripartite process, by sponsoring a series of activities that will help participants to get beyond stalemates and focus on achievable goals. One of these will be to expose participants to other models of successful tripartite negotiation, such as that credited with providing important support to Ireland's economic rebirth. Another planned activity will be building capacity for sound labor market analysis to develop a common factual platform on which the discussions can take place. Other activities, as needed to ensure the smooth operation of the tripartite dialogue, will provide participants with an independent facilitator, and training in communications, negotiation, and conflict resolution.

### **Particularly Vulnerable Groups:**

Even as overall unemployment is reduced in the coming years, there will still be some groups that will have a harder time gaining access to employment opportunities. Several examples include returning refugees, young people, workers over the age of 40, and ethnic and religious minorities. Similarly, although pension reform is expected to deepen a foundation for capital markets and ease over time the budgetary burden on Croatia's "pay-as-you-go" state pension system, income security is far from guaranteed for the elderly, those nearing retirement, and groups vulnerable to economic exclusion. Among those who do not qualify to receive any form of pension are some categories of the self-employed, rural farmers employed outside the system of large agricultural kombinats, and certain elderly returnees. Programs to ensure that such groups can also benefit from systemic improvements in Croatia will be an initial priority under this SO. Further research is needed to establish whether and to what degree marginally benefiting groups include female headed households, households headed by pensioners, or other sub-groups.

Croatia has a small and disadvantaged Roma community, which generally suffers from poor access to social services and shows higher than average rates of unemployment, health problems, and poor educational achievement. Attempts at assisting this community thus far in Croatia have suffered from implementation problems, exacerbated by factionalism among the Roma themselves. Given the relatively small size of this community (estimated variously at 35,000 – 50,000) it is not likely that programs under 3.4 will be devoted to Roma, but the Mission may consider participating in a limited way in the proposed Regional program of support to the Roma Community being led by RSC/Budapest.

There are major problems with the financing, organization and service delivery of both the health and education sectors in Croatia. The health system is still primarily state operated, and is funded with a higher than average percentage of the GDP than in other countries in the region and in Europe, but does not deliver efficient services due to poor organization and management. While this presents a major drain on state resources, overall health statistics are better than average for the region, and the system has maintained an impressive level of public health services in key areas such as vaccinations in spite of the major disruptions during the conflict period in 1991-95. Conversely, the education system in Croatia is funded at a level which is below average for comparable countries (as a percentage of GDP devoted to the sector), and the weakening of this system is threatening the quality of the human capital critical to Croatia's future.

Major interventions in either of these critical social sectors are beyond the resource capacity of USAID/Croatia at the present time. Mission staff will consider opportunities to fund supplemental activities that yield timely support to efforts undertaken by the Government with assistance from the World Bank and other donors in Croatia.

Croatia has a very low level of documented AIDS cases, numbering only a few hundred. However, the actual number is believed to be somewhat higher and growing, particularly with the recovery of the coastal tourism industry. HIV/AIDS awareness is high, as one would expect in a well-educated country, but anecdotal evidence suggests a high level of behavioral risk among young people. The country currently lacks a well-articulated AIDS prevention and public education program, and a recently released national Strategy for health care reform makes no mention of HIV/AIDS. Drug abuse is more widely recognized as a growing problem in Croatia, especially among youth, although statistics are not readily available.

There is some evidence that on a limited scale, Croatia has become a destination country for the illicit trafficking of sex workers. Typically, young women are lured from Ukraine, Moldova, and other parts of the former Soviet Union by promises of employment, only to find themselves trapped in prostitution. So far, there have been 97 documented cases in which such women have received assistance with repatriation to their home countries from Croatia through local NGOs, Government agencies and the International Organization for Migration. The Mission will assess the problems of HIV/AIDS, substance abuse and trafficking to determine whether there are needs and opportunities for assistance in these areas.

In April 2001, the GOC will be conducting its first census since 1991, which is expected to shed additional light on the current dimensions of employment, poverty, and vulnerability nation wide. Preliminary results are expected later in the year, and the Mission expects the data and subsequent analysis will contribute to the further development of program efforts.

## **C. Results Framework**

### **1. Causal Linkages**

A new Strategic Objective, “Mitigation of Adverse Social Conditions and Trends” was approved during the review of the new Croatia Strategy 2001-2005.

The indicators identified for this Strategic Objective are:

- 1. Growth in private pension fund contributions and participation levels.**
- 2. Legislative changes to improve labor market flexibility.**
- 3. Social compact on key economic and social issues signed by tripartite council members and serves as basis for policy decisions.**

Three Intermediate Results have been identified as necessary to achieve this new Strategic Objective. IR 3.4.1, Improved efficiency of pension systems; IR 3.4.2, Restructured labor market and tripartite social pact; and IR 3.4.3, Improved advocacy for and social service delivery to vulnerable groups.

In all cases, data collected to measure results will be disaggregated by gender, and where appropriate by ethnicity.

#### **IR 3.4.1: Improved Efficiency of Pension Systems**

Under this IR, USAID will provide support to the GOC’s public education program for pension reform. As every working Croatian will be affected by the changes in the pension system and will need to take on new responsibilities for saving and investing for retirement, public education is crucial. USAID is undertaking a carefully planned effort to educate the general public and selected constituencies on the new mandatory private pension fund (classically referred to as the “second pillar”), which will be launched in January 2002. The campaign will use baseline survey data and information from focus groups to tailor education materials, leaflets, training seminars, and mass media productions for the general public and specific groups such as trade unions. Other target constituencies include those currently receiving pensions, elected officials, employers, journalists, and workers between the ages of 40-50, who have a specific timeframe for deciding between approved options under the new design. This effort is currently underway.

Achieving greater efficiency in the pension system relies not only on well informed consumers, but on a well trained group of professionals who regulate the new system, manage investments directed to their funds, or channel contributions on behalf of their workers. USAID will provide training and certification programs for fund regulators, investment managers, and employers. These efforts will complement those of the World Bank, which is expected to approve a major pension reform loan in

2002. Further USAID interventions in the pension reform effort may be undertaken as needs are identified.

#### IR 3.4.2: Restructured Labor Market and Tripartite Social Pact

USAID will continue support to Croatia's labor movement under a revised, bilateral arrangement with the American Center for International Labor Solidarity (ACILS). Current work under a buy-in to the regional cooperative agreement with ACILS focuses on promoting labor involvement in economic policy reform, including restructuring and privatization of state enterprises, and conducting education and outreach to union members on pension reform. ACILS will also help strengthen social dialogue by providing training for union management on alternative dispute resolution, in understanding firm- and sector-level economic data, and in communicating and consensus building across union hierarchies.

To help establish effective, goal-oriented social dialogue among government, employers, and labor unions, USAID is planning a program of support for tripartite council members that will involve sponsoring joint research on key issues affecting economic and social policy, providing advisory services, and facilitating deliberations in the Economic and Social Council.

The Mission believes that the development of consensus among the tripartite groups on key reform issues is critical to maintaining the momentum of reform, and is thus prepared to dedicate significant resources to this area if appropriate endorsement is received from the participants. The first planned activity under this initiative will take core members of the tripartite group to Ireland in late April to observe the Irish tripartite model. Recommendations on next steps in structuring the tripartite dialogue are currently being elaborated in a separate concept paper and discussions with the government.

A second way for the Mission to leverage stronger results in job creation is to tap into the creative potential of its competitiveness initiative under S.O. 1.3. An implicit assumption of a competitiveness initiative is that stakeholders identify the human resource capacity and training requirements within an industry targeted for competitive growth, and then take steps toward removing barriers or constraints that prevent the workforce from meeting those requirements. An example of this is creating stronger linkages between private sector demands for new, knowledge-based skills and educators' plans to develop adult education programs. The Mission will closely track developments under the competitiveness initiative with the intention of using that information in the further development of workforce initiatives.

USAID will also be prepared to undertake pilot efforts in the area of job creation and retraining where innovative methods are showing potential for real impact. Areas under consideration include efforts to leverage severance payments for skills retraining and incentive-based initiatives to bring activities in the gray economy into the formal sector.

### IR 3.4.3: Improved Advocacy and Social Service Delivery for Vulnerable Groups

Under this IR, USAID will undertake targeted efforts, in most instances structured as pilot programs, to address special problems of vulnerable and at-risk groups. Pilot programs will seek cost-effective methods to provide social support to elderly groups who do not qualify for pension benefits because they have been employed outside the formal economy, or because of conflict related dislocations. Other target groups will include various sub-categories of the unemployed, youth, minorities, and victims of trafficking and violence.

In addressing vulnerable groups, the Mission is likely to approach pilot efforts for improving social service delivery at the local level, where discrete results can be seen within a reasonable time frame. One mechanism is to buy into a new program to support Croatian NGOs and CSOs under SO 2.1. Another is to add bilateral resources to programs piloted through regional mechanisms. Using regional funds, the American International Health Alliance (AIHA) recently conducted two workshops in Croatia aimed at improving health administration and strengthening community health and primary care systems through the GOC's "Healthy Cities" program. Pending requests from the Ministry of Health, bilateral funds may be added to the AIHA cooperative agreement for one or more Healthy Communities Partnerships between Croatian and U.S. communities.

The Mission's initial analysis suggests that two vulnerable groups in need of particular attention are certain categories of the unemployed and those elderly persons left out of the pension system. Among the unemployed, the growing number of long-term jobless persons and the youngest workers who have never been fully employed will be an initial focus. Among the elderly, many who were displaced during the war or who never worked in an enterprise covered by state pensions are without resources, and will also be a target for assistance. Finding solutions for these groups will require significant government commitment and, for the unemployed the creation of opportunities to learn new skills or to begin a business.

USAID plans to allocate only modest resources to this IR during the strategy period, complementing activities under the other IRs intended to help Croatia achieve robust levels of economic growth and improved incomes. Additionally, the programs under this IR will help ensure that the impact and benefits of the key reforms supported under IRs 3.4.1 and 3.4.2 will benefit as wide a group as possible.

Assuming that the reforms and restructuring under this SO are successful, it may be possible in the later years of the strategy period to shift resources to vulnerable groups who continue to be marginalized and under-served. It is also the intention that, in the later years of the strategic planning period, this IR will become the home for continuing assistance to war-affected populations now being assisted through SO 3.1.

## **2. Critical Assumptions**



- Funding: USAID funding for Croatia will remain at a high enough level to permit adequate funding of activities under this new SO.
- Regional context: Regional stability will remain at a level that allows for continuing focus on domestic reforms, avoiding major political and economic distractions of the government.
- Other Donor Involvement: Other donors providing critical assistance which complements or links with programs supported here will continue to be engaged, provide agreed upon levels of assistance, and to the extent possible, ensure that implementation occurs as planned.
- Government Commitment: The Croatian Government will remain committed to making the pension reforms being supported under this SO.

#### **D. Progress to Date**

Pension Reform is the most advanced program to date under the new SO. The public education effort has been contracted to Carana Corporation, which is working in close coordination with the Ministry of Labor and Social Welfare, ACILS, and other donors such as the World Bank. During the spring of 2001, the core strategy and timing of the public education program will be set and the beginning of the broad campaign will coincide with open registration for private pension funds in the fall.

Agreements are falling in place for USAID support to the tripartite dialogue. The GOC recently approved a USAID concept paper on areas of proposed assistance, and meetings with key representatives of employer and trade union groups have led to agreement on the need for facilitation, logistical support, and advisory services.

In preparation for possible pilot programs to reduce unemployment, there have been numerous meetings with leading actors working in this area including multilateral and bilateral donors, local research institutes, NGOs, private sector participants, and state agencies including the Bureau for Statistics and the State Employment Agency. Ongoing discussions on the development of targeted interventions will help shape this effort under the guidance of the new SO team.

In the preparation of this SO there has been considerable discussion within USAID/Croatia and with the NGO partners on how best to target and assist vulnerable groups. As these discussions continue, the Mission will develop mechanisms and allocate resources where our assistance can be most cost-effective and achieve greatest impact and replicability.

Community-level activities previously supported by the Mission under SOs 2.1 and 3.1 have already dealt with some of these issues and benefited some groups that will be targeted under IR 3.4.3. Under SO 3.4, there will be a more conscious focus on the “vulnerability” of proposed beneficiary groups and the extent to which

the outcomes of activities funded are likely to produce models which can be shared and further replicated in Croatia.

### **E. Program Approaches**

The program approach under SO 3.4 is to combine activities at the national level to build broad-based consensus on and support for reforms, with activities at the local level, where innovative solutions to the demands of a reform environment might be tested and later replicated.

Advanced work in the social sector is a new strategic area for the Mission. With a five-year time horizon under the new strategy, it is broadly expected that the Mission will complete and phase out some initiatives in the first few years, such as pension reform, whereas labor market restructuring and assistance to vulnerable groups may continue to evolve. In future years, as the Government begins to tackle the underlying problems in the health and education sectors (or possibly in targeting and delivery of welfare benefits), the Mission will examine its options and opportunities to undertake initiatives that create impact. Illustrative program approaches include the following:

IR 3.4.1: The program approach under this IR is to maximize consumer readiness to participate in, and make informed choices about, savings for retirement. Meeting this challenge requires not only system readiness but clarity in explaining why the new pillar is needed; why the government can be trusted to regulate the ethical operation of new privately operated pension funds; and why individuals must be aware of and carefully weigh their options, taking new responsibility for their future financial security.. Owing to Croatia's highly unionized labor market (estimated at 80% of the workforce), successful outreach through trade union networks will be a significant test of educational impact. The program will use baseline and follow-up surveys to measure the effectiveness of the educational campaign and identify further needs.

Transparency and public support are key to success of pension reform. Based on lessons learned in other transition economies that have undertaken pension reform, USAID's advisors are reaching out not only to consumers but also to journalists who will write frequently on the new pension system as reform goes forward. To facilitate institutional readiness, USAID is working closely with the World Bank, the Ministry of Labor and Social Welfare, and key individuals who will steer the registry for tracking contributions (REGOS) as well as the new Agency for Pension Fund Regulation.

Public confidence in the new system will depend to a significant degree on the ethical operation of the new private funds, the competence and accountability of employers to comply with worker choices, and the information given to individuals on the progress of their retirement savings. To reduce the potential for errors or corruption, USAID program implementers will conduct training for employers, regulators, and fund managers on their respective roles.

IR 3.4.2: The program approach for the tripartite dialogue is based on the idea that decision makers in government, labor and business currently lack experience and detached perspectives to guide them toward consensus on policies to improve economic productivity and economic and social security. Progress has thus been slow and difficult in the deliberations of the Economic and Social Council, and each of the three partners frequently finds the quality of dialogue and the potential for negotiation eroding.

A fundamental tenet of tripartite dialogue is that all three parties join in good faith to define the terms and policies for carrying forward a national economic and social vision for their country. USAID believes that introducing a neutral facilitator will help maintain professionalism within the dialogue, and restore the serious-minded intent of participants to set agendas and reach consensus on key issues. To accomplish this, it will also be necessary for participants to develop a base of impartial research and analysis underlying the dialogue. Among the possible outcomes of the dialogue are changes to labor legislation or other legal and regulatory provisions that are needed to improve labor market mobility, flexibility and productivity. the capacity for decision-makers to change the climate for business and job creation at the national level, the further approach under this IR is to *stimulate* Two important elements that are built into this approach are recognizing and building the skills that will be required for jobs in a competitive Croatian economy, and responding to differentiated impacts on gender in the present and future workplace.

IR 3.4.3: Initial work with vulnerable groups will build on mechanisms already operating that can be used to carry out activities that are within the management and financial capacity of the Mission for this IR. Initial plans are to carry out a “Healthy City” partnership in one urban area using SO 3.4 funds through the American International Health Alliance cooperative agreement. For small, discrete activities, consideration will be given to using the Mission’s new “Support for Croatian NGOs” program (managed under SO 2.1) as an appropriate way to fund the limited number of SO 3.4 activities directed at vulnerable groups.

Activities intending to benefit vulnerable groups will where possible be to test pilot approaches that, if successful, would be funded for replication by other donors, particularly the World Bank. The Bank expects to make social sector reform a major element of a new Structural Adjustment Loan now undergoing initial assessment and preparation. Mission staff and implementing partners will similarly be encouraged to work with appropriate government agencies test better and innovative ways of delivering services to vulnerable groups. In such cases USAID funding could serve as pilot or bridging funding.

## **G. Development Partners**

The social transition issues of concern to USAID are clearly on the agenda of many other donors and the GOC. Most donor efforts are modest, making strategic coordination important.

IR 3.4.1: The most prominent funding source in pension system reform is the World Bank, with a \$30 million loan planned to bridge the gap in making a transition to a fully developed system combining the current pay-as-you-go program with both mandatory and voluntary private savings and investment accounts. In addition to establishing the national system of individual identification numbers for tracking pension fund contributions, the loan will underwrite baseline and follow-up opinion surveys to benchmark public understanding of, and adaptation to, the new self-directed program.

The Swedish development agency SIDA intends to get more involved in pension reform, directing assistance specifically to the technical aspects of Croatia's REGOS, the registration system that will identify, collect, route, and track contributions made by workers into the first and second pillars. SIDA will also continue modest funding to provide legal assistance to elderly returnees who are denied pensions.

IR 3.4.2: Labor market issues are to be emphasized under the World Bank's planned social protection program, which will be offered after the first tranche of the Bank's structural adjustment loan is completed. The timing and release of these programs will become clearer after the Bank undertakes a joint review of its portfolio with the GOC in July 2001. With limited funds for technical assistance, however, the Bank is seeking partners to underwrite an updated study on labor market flexibility, which will help determine its agenda for loan assistance in this area.

A minor but important player in labor market reform is the Freidrich Ebert Stiftung (FES), a German party-based organization known for its work on improving professionalism and negotiating capacity within trade unions. In addition to funding research and publications on social policy and public finance, the FES will be sponsoring roundtables for trade unions on labor market policy and employment generation in the spring of 2001. Their efforts are important complements to USAID's effort at promoting constructive tripartite dialogue.

IR 3.4.3: The assessment of Economic Vulnerability and Welfare in Croatia completed in June 2000 by the World Bank gives the GOC high marks for the targeting and effectiveness of selected social welfare programs (child allowances and social assistance) and concludes that in a broad sense the elimination of poverty (and other forms of deprivation) is well within the financial and administrative capability of the GOC. As is often the case with such programs, however, improved targeting requires the political courage to terminate benefits for those not truly in need. If the GOC is willing to take such steps and to better address the needs of the most vulnerable groups, with the help of loan financing from the World Bank, it is likely that funded initiatives can have a measurable impact on reducing their economic and social vulnerability.

With policies already underway to decentralize fiscal and organizational responsibility for some social sector programs to the municipal level, attention will focus on the ability of local governments to provide services and/or subcontract them to community-based organizations. International organizations in Croatia working with NGOs feel that there is not yet a mature CSO culture in Croatia. Two extremes

exist -- of local problem-oriented groups and urban issue-oriented groups. The first have a membership constituency but little in the way of organizational or financial capability. The later have considerable grant-capturing skill, but little in the way of a membership base. The entire community largely focuses on areas of activity where funding is offered – in other words, a supply driven, reactive system.

In a manner similar to what has been done with the development of pension reform and tripartite activities, activities directed to vulnerable groups will be carefully coordinated with and where possible carried out jointly with other development funding agencies, NGOs and the GOC. The British development agency DFID is planning substantial work to deepen the knowledge base on social sector statistics, in conjunction with the World Bank and the GOC. This work will complement and sharpen the impact of activities undertaken by the Mission.

### **G. Sustainability**

The outcome of the Pension reform effort is self-supporting by design, and the entire objective is to bring sustainability to the currently deficit GOC pay-as-you-go (“pillar one”) pension program by complementing it with a privately managed, government regulated, individually invested (“pillar two”) pension plan. Once the new pension system is established and functioning TA will not be likely to be needed and the system should be self-supporting.

Labor Market restructuring and the achievement of a robust and viable social compact between government, employers and labor may require reasonably sustained external funding, mediation and inspiration during implementation. Once established, however, the tripartite process should be self-sustaining and should be valued enough by its constituent organizations to ensure that it will be supported and continue to function.

Pilot programs and interventions for vulnerable groups will be carefully designed to maximize their sustainability, but run a higher chance than the other components of this SO of presenting sustainability challenges. For this reason, working with other development partners, including the GOC, who can pick up the implementation of successful activities will be important. Additionally, wherever possible, maximum contributions toward sustainability by the groups benefiting from the activities will be sought in the design of assistance activities.

## PERFORMANCE DATA TABLE

## Baseline, Targets, and Actual Results

### SO 3.4 “Mitigation of Adverse Social Conditions and Trends”

[illegible]

[illegible]

◆ **Information Annex Topic: Environmental Impact**

1. New or amended Initial Environmental Assessments (IEE) or Environmental Assessment (EA) Documents for new projects and activities. USAID/Croatia anticipates no new or amended initial environmental assessments (IEE) or environmental assessment (EA) documents needed in the coming year for new projects or new activities. However, for new activities the Mission will address environmental concerns during the initial Request for Proposal process. Any new IEEs will be submitted to the Bureau Environmental Officer and the Mission Environmental Officer.
2. Compliance of existing activities USAID. All USAID/Croatia Strategic Objectives and related activities are currently in compliance with previously approved IEEs or EAs.
3. The following section is in response to discussions concerning the Croatia Biodiversity Assessment recommendations, as requested during the January 2001 presentation of the Croatia Strategy 2001-2005. The Mission's basic approach will be to build environmental components into appropriate programs under all SOs, as a cross-cutting initiative.
  - ◆ Under the new NGO activity, "Support for Croatia's NGO's", USAID may select a leading environmental NGO for participation in a program of advanced training, technical assistance, and grant support. This program will build the capacity of a select group of organizations whose leadership is important to the continued development of Croatia's NGO sector. Two environmental NGOs received support under a predecessor project, and are expected to be strong candidates for support under the new program. Thus the Mission will promote the sustainability of environmental policy activism and public education on environmental issues.
  - ◆ Under the local government Reform Program (LGRP), USAID will support public participation in the preparation of the environmental component of physical plans in the four demonstration site cities, where applicable.
  - ◆ In the SME activities in SO1.3 and SO 3.1, USAID will consider working with small scale businesses who harvest and package wild native plants and herbs for export. In addition, the Croatian Enterprise Promotion (CEP) program will assist businesses to improve their environmental performance (including measures to protect biodiversity where appropriate) through adherence to local and international standards such as ISO 14001, and by strengthening environmental consulting services available to enterprises.
  - ◆ In SO 3.4, USAID is discussing an activity which, similar to the Civilian Conservation Corps, would provide employment for youth and help inventory and preserve bio-diversity in the karst region.



- ◆ In addition USAID/Croatia will address environmental and biodiversity issues by incorporating environmental factors in project planning and monitoring, particularly in the Karst region, which dominates that part of the country where the USAID anticipates strengthening the tourism industry, as well as the area where USAID programs support refugee return. Limited technical assistance and training to emerging environmental programs in county and local governments and NGOs, perhaps through the new NGO community grants program and the local government reform program, can significantly improve biodiversity and environmental management. A successful national program must resolve the problems of inter-agency communication and coordination regarding biodiversity management, which should be addressed through cooperation among donors and with all stakeholders in Croatia. In this way, USAID may be able to play a small but supportive role in such an effort.
- ◆ The Mission will continue to support Croatia's participation in EcoLinks, the Europe & Eurasia environmental partnership program.

## **Information Annex Topic: Updated Results Framework Annex**

### **Part A. Results Framework.**

#### **SO 1.3: Growth of a Dynamic and Competitive Private Sector**

- IR 1.3.1 Competitive, Transparent Privatization of State Owned Enterprises
  - IR 1.3.1.2 Legal/Regulatory Framework for Privatization Established
- IR 1.3.2 Strengthened Capacity of SMEs to Operate and Compete
  - IR 1.3.2.1 Adoption of Improved Technologies
  - IR 1.3.2.2 Increased Access to Financing
  - IR 1.3.2.3 Strengthened Business Associations
- IR 1.3.3 Improved Investment Climate
  - IR 1.3.3.1 Business Friendly Legal and Regulatory Environment
  - IR 1.3.3.2 Improved Transparency in Government Fiscal Operations

#### **SO 2.1: More Effective Citizen Participation and Improved Governance**

- IR 2.1.1 More Effective Citizen Participation in Political and Economic Decision-Making
  - IR 2.1.1.1 Improved Enabling Environment for Growth of Effective CSOs
  - IR 2.1.1.2 Improved CSO Organizational, Financial and Advocacy Capacity
  - IR 2.1.1.3 More Effective CSO Community-Based Initiatives
- IR 2.1.2 Sustainable and Balanced Commercial Media
  - IR 2.1.2.1 Journalists' Professional Standards Improved
  - IR 2.1.2.2 Management and Business Capacity of Media Organizations Strengthened
- IR 2.1.3 More Efficient and Responsive Governance Systems
  - IR 2.1.3.1 Increased Local Government Capacity to Manage Resources
  - IR 2.1.3.2 Increased Responsiveness of Target Local Governments
  - IR 2.1.3.3 More Transparent and Responsive Executive and Legislative Governance at the National Level
  - IR 2.1.3.4 Court Administration Modernized to Support More Efficient and Responsive Judiciary

#### **SO 3.1: Accelerated Return and Sustainable Reintegration of War-Affected Populations**

- IR 3.1.1 Infrastructure Reconstructed and Access to Basic Services Provided
- IR 3.1.2 Community-Based Economic Programs Create Jobs and Output
  - IR 3.1.2.1 Micro, Small and Medium Enterprises and Agribusiness Grow in War-Affected Communities
  - IR 3.1.2.2 Capacity of Local Housing Markets Increased to Meet Needs of War-Affected Communities
- IR 3.1.3 Increased Community Reintegration
  - IR 3.1.3.1 Social Cohesion Strengthened
  - IR 3.1.3.2 Legal Assistance Promotes Property Restitution and Access to Social Entitlements
- IR 3.1.4 Cross-Border Return Between Croatia and Bosnia and FRY Increased

#### **SO 3.4: Mitigation of Adverse Social Conditions and Trends**

- IR 3.4.1 Improved Efficiency of Pension Systems
- IR 3.4.2 Restructured Labor Market and Tripartite Social Compact
- IR 3.4.3 Improved Advocacy of and Social Services Delivery to Vulnerable Groups

**Part B. New Indicator Reporting.**

Performance Monitoring Plan is currently under development.

The new five-year strategic plan for USAID/Croatia was approved in January 2001.

## **Information Annex Topic: Success Stories**

### **Croatia and Northern Ireland: Two Post-Conflict Countries Linked by Common Needs**

Croatia's watershed shift in 2000 toward democracy and ethnic reconciliation has not yet reached the level of local government, at least not in the most war-affected regions of the country. There, many mayors appointed under the old regime continue to display the portrait of the late President Franjo Tudjman as they preside over local administrations too often dedicated to preventing the return of minority refugees. As a result, USAID's efforts to promote refugee return have been hampered by obstruction of property claims, discriminatory allocation of reconstruction resources, and refusal even to meet with minority groups. Local elections scheduled for May 2001 are expected to bring positive changes, but in the meantime USAID decided to take a different approach to winning cooperation from these recalcitrant officials.

In November 2000, six of these mayors were sent, at USAID/Croatia expense, to Northern Ireland to see at first hand how communities there are working together to reintegrate Protestant and Catholic communities in fulfillment of the 'Good Friday Agreement.' The study tour, arranged by World Learning and hosted by the School of Law at the Queens University in Belfast, allowed the participants to learn best practices in local governance and economic development in a post-conflict environment. Participants gained an understanding of the various roles of national and local governments, civil society, and international donors in supporting the peace process. Through this training, the Croatian mayors became aware of the limitations of nationalist thinking in a modern, integrated Europe. For instance, the mayors came to understand the importance, even the necessity, of cross-community initiatives and programs, especially in economic revitalization. They received new ideas on how to solve problems in their communities through SME incubators and agricultural cooperatives with mixed membership. They saw local NGOs working to promote common causes, such as improved social services.

Both the Northern Ireland trainers and, in their feedback, the Croatian participants stressed the important role of economic recovery in peace-building. Immediately after the training, USAID easily reached a partnership agreement with one municipality whose mayor participated in the training, to serve as the basis for our assistance with infrastructure reconstruction and economic and community revitalization – complete with tough conditionality on ethnic inclusion that had previously been a stumbling block. We expect to sign other such agreements in the near future.

### **Local Empowerment to Solve Housing Problems**

According to UNHCR, there are over 73,000 damaged or destroyed houses in Croatia, and most of the Government's reconstruction efforts to date have been directed to ethnic Croats displaced within Croatia during the 1991-95 war. Now that the new Government has signaled a welcome, minority Serb refugees are returning in increasing numbers from Bosnia and Serbia, but the reconstruction program is mired in backlog and has limited funds. As a result, many returnees come back to uninhabitable homes, while others wait in exile for Government help that may never come.

To respond to this very pressing need, USAID launched a pilot activity in late 2000, granting \$300,000 to the Serb Democratic Forum (SDF), a Croatian NGO, to supply returnees throughout

Croatia's war-affected regions with building materials to enable self-help housing reconstruction. The SDF proposed an innovative model for project implementation that combined community-building and quick reconstruction. The SDF delivered housing materials to select villages and beneficiaries throughout the country. Villagers then assisted each other with housing repairs, under a tight 60-day deadline to complete reconstruction. This project enabled the reconstruction of 126 homes, thereby facilitating the return and shelter of 353 refugees and displaced persons before winter. Eight beneficiaries also received essential tools to re-start their pre-war businesses as electricians and plumbers. In exchange for these tools, the beneficiaries helped other participants to do in-house electricity and plumbing installations. After the activity, they had the resources to begin their pre-war businesses.

The activity cost only \$226,618 or approximately \$1,800 per house, far less than the turnkey reconstruction approach normally used by both the Government and the international donors in Croatia. Furthermore, it was successfully managed by a local NGO. The Mission will build upon this successful program in 2001 through its Economic and Community Revitalization Activity, making funds available to groups who propose similar innovative solutions to the housing shortage in war-torn parts of Croatia.

## Information Annex Topic: E&E R4 Detailed Budget Information

CROATIA: E&E R4 Detailed Budget Information

	Contractor/ Grantee	FY2001 Total	FY2002 Total	FY2003 Total	FY2001-2003 Total
<b>SO 1.3 Growth of a Dynamic and Competitive Private Sector</b>					
Fiscal Reform Program (Phase II)	KMPG Cons.	\$2,285,000	\$1,000,000	\$1,000,000	\$4,285,000
Advisor/Dep Prime Minister	KMPG Cons.	\$744,000	\$500,000	\$0	\$1,244,000
Privatization(Phase I)					\$0
Privatization (Phase II)	TBD	\$2,750,000	\$4,500,000	\$2,250,000	\$9,500,000
Bank Supervision	KMPG Cons.	\$500,000			\$500,000
Commercial Law (Phase II)	TBD	\$3,000,000	\$3,000,000	\$500,000	\$6,500,000
Investment Promotion	TBD		\$1,000,000	\$1,000,000	\$2,000,000
Competitiveness	JE Austin	\$750,000	\$1,050,000	\$1,050,000	\$2,850,000
	Assoc				
SME Development	TBD	\$3,000,000	\$2,500,000	\$4,900,000	\$10,400,000
Regional Energy Program	Pierce/ Atwood	\$425,000	\$750,000	\$750,000	\$1,925,000
Participant Training	World Learning	\$750,000	\$500,000	\$500,000	\$1,750,000
Parliament Budget Office				\$1,500,000	\$1,500,000
Program Support		\$346,000	\$450,000	\$450,000	\$1,246,000
DCA Loan Guarantee Program			\$800,000	\$0	\$800,000
NFCA/USChamber of Commerce		\$750,000	\$750,000	\$0	\$1,500,000
<u>Treasury Advisors</u>		\$950,000	\$950,000	\$950,000	\$2,850,000
<u>Customs/SECI TTSSFE</u>		\$600,000			\$600,000
<u>Customs/TTSFE</u>					\$0
<b>SO 1.3 TOTALS</b>		<b>\$16,850,000</b>	<b>\$17,750,000</b>	<b>\$14,850,000</b>	<b>\$49,450,000</b>
<b>SO 2.1 More Effective Citizen Participation and Improved Governance</b>					
Strengthening Political Processes	IRI	\$650,000	\$750,000	\$750,000	\$2,150,000
Strengthening Political Processes	NDI	\$1,250,000	\$750,000	\$750,000	\$2,750,000
Regional NGO Women's	STAR/WL	\$200,000	\$200,000	\$150,000	\$550,000
Pro Media	IREX	\$900,000	\$900,000	\$0	\$1,800,000
NGO/Civil Society Strengthening	TBD	\$700,000	\$2,800,000	\$2,500,000	\$6,000,000
NGO/Civil Society –small grants	TBD	\$2,037,444			\$2,037,444
NGO/Legislative Support	ICNL	\$200,000	\$100,000	\$100,000	\$400,000
Rule of Law-Municipal Court	NCSC	\$1,074,627	\$900,000	\$0	\$1,974,627
Improvement Prj.					
Judicial Training	ABA/CEELI	\$979,211	\$600,000	\$450,000	\$2,029,211
Local Government	Urban Institute	\$1,458,718	\$900,000	\$1,200,000	\$3,558,718
ROL New Start			\$350,000	\$1,250,000	\$1,600,000
Participant Training	World Learning	\$425,000	\$500,000	\$500,000	\$1,425,000
Program Support		\$675,000	\$800,000	\$800,000	\$2,275,000
<u>Public Diplomacy</u>		\$1,600,000	\$1,600,000	\$1,600,000	\$4,800,000
<u>DOJ/ICITAP</u>		\$400,000	\$425,000	\$425,000	\$1,250,000
<u>DOJ/OPDAT</u>		\$350,000	\$425,000	\$425,000	\$1,200,000
<b>SO 2.1 TOTALS</b>		<b>\$12,900,000</b>	<b>\$12,000,000</b>	<b>\$10,900,000</b>	<b>\$35,800,000</b>

	Contractor/ Grantee	FY2001 Total	FY2002 Total	FY2003 Total	FY2001-2003 Total
<b>SO 3.1 Accelerated Return and Sustainable Reint. Of Displaced Populations</b>					
CIRP	Louis Berger	\$1,730,000	\$2,500,000	\$1,000,000	\$5,231,000
ECRA	TBD	\$4,050,000	\$2,500,000	\$2,500,000	\$9,050,000
ECRA SO2.1 Buy-in	TBD	\$500,000			\$500,000
Private Housing Solutions	TBD	\$2,500,000	\$3,400,000	\$3,400,000	\$9,300,000
Participant Training	World Learning	\$500,000	\$750,000	\$750,000	\$2,000,000
Program Support		\$850,000	\$850,000	\$850,000	\$2,550,000
<b><i>Committee for Missing Persons</i></b>		\$1,000,000	\$500,000	\$500,000	\$2,000,000
					\$0
<b>SO 3.1 TOTALS</b>		<b>\$11,130,000</b>	<b>\$10,500,000</b>	<b>\$9,000,000</b>	<b>\$30,630,000</b>
<b>SO 3.4 Mitigation of Adverse Social Conditions and Trends</b>					
Pension Reform	Carana	\$500,000	\$500,000	\$500,000	\$1,500,000
Labor Unions Reform/Strengthening	ACILS	\$900,000	\$1,100,000	\$1,100,000	\$3,100,000
Tripartite Social Compact Process	TBD	\$500,000	\$750,000	\$750,000	\$2,000,000
Healthy Cities	TBD	\$300,000	\$500,000	\$500,000	\$1,300,000
Improved Advoc of Vulnerable Grps	TBD	\$250,000	\$200,000	\$200,000	\$650,000
Participant Training SO 3.4	World Learning	\$210,000	\$350,000	\$350,000	\$911,000
Social Benefits Targeting				\$500,000	\$500,000
Program Support			\$200,000	\$200,000	\$400,000
<b>SO 3.4 TOTALS</b>		<b>\$2,660,000</b>	<b>\$3,600,000</b>	<b>\$4,100,000</b>	<b>\$10,360,000</b>
<b>SO 4.2 Cross Cutting</b>					
					\$0
Anti-Corruption	TBD	\$200,000	\$200,000	\$200,000	\$600,000
Environmental Activities	EcoLinks	\$150,000	\$200,000	\$200,000	\$550,000
Information Technology	TBD	\$100,000	\$200,000	\$200,000	\$500,000
Participant Training	World Learning	\$300,000	\$250,000	\$250,000	\$800,000
Program Support		\$235,000	\$300,000	\$300,000	\$935,000
<b>SO 4.2 TOTALS</b>		<b>\$985,000</b>	<b>\$1,150,000</b>	<b>\$1,150,000</b>	<b>\$3,285,000</b>
<b>TOTALS</b>		<b>\$44,525,000</b>	<b>\$45,000,000</b>	<b>\$40,000,000</b>	<b>\$129,525,000</b>

## **Information Annex Topic: Supplemental Information**

### **USAID/OTI/CROATIA**

**OTI Role:** OTI's program in Croatia began in July 1997 with the understanding that progressive change in Bosnia and Herzegovina was partly contingent on the intentions of its powerful neighbors. OTI's efforts in Croatia were viewed as elements of a regional peace-building and democratization program.

**Focus/Program Design:** During 1999 and 2000, most of OTI's support centered on Croatia's parliamentary elections. Additionally, the program adjusted to fund activities in response to the effects of the NATO campaign on Croatia.

**Relationship of OTI program to USAID Mission strategy:** OTI maintained a strong relationship with the USAID Mission. OTI activities supported two Mission Strategic Objectives: SO 3.1: *Return/reintegration of war-affected populations*. SO 2.1: *Increased better informed citizen participation in political processes*. OTI was also deeply involved in the USG election strategy. OTI was seen as the main mechanism for USG support to citizen participation in the parliamentary elections through a get-out-the-vote campaign and a domestic NGO-led election monitoring activity.

### **PROCESS INDICATORS**

**Speed:** Estimated time between identification of a project and signing of a grant varies greatly from 24 hours to 45 days. OTI's rapid response was instrumental in the Mission's decision to use OTI to program over 1.8 million in SEED funds.

**Targeting:** The OTI program focused on NGO advocacy, media and reconciliation projects to promote and encourage democratic change.

**Resource Leveraging:** The pre-election actions supported by OTI would not have been possible without significant support from other donors. While OTI and SEED funds represented the largest share of donor support for the elections (domestic monitoring \$260,000 and the GOTV campaign \$750,000), these resources helped leverage more than \$2 million from other donors. Nearly all of those funds were allocated based upon information provided by OTI or a direct appeal from OTI to support a pre-election campaign activity.

### **BROADER RESULTS AND LESSONS LEARNED**

The success of OTI in Croatia was based upon the tireless dedication of the local staff, the full integration of OTI into the USG strategy and USAID Mission, developing a clear channel of communication to share information and keep the key players informed, and having a relatively narrow focus to our program.

### **PARTNERSHIPS**



**Within the USG:** OTI Croatia was intimately linked to the Mission and much of its programming complemented Mission activities. OTI assisted the Mission to program the \$1,000,000 of the frontline state money allocated to Croatia to mitigate the impact of the NATO campaign. OTI assisted the Mission in development of a response to the effects of the NATO campaign. Using OTI's mechanism, the Mission programmed all of the \$1.0 million in frontline state (Talbot) funds in addition to \$200,000 of the Kosovo Supplemental, as well as \$500,000 of the Displaced Children and Orphans Fund.

**Other partnerships:** OTI's partners in Croatia included other embassies, Open Society Institute, Freedom House, the National Endowment for Democracy, the National Democratic Institute, the International Republican Institute, the Information Research and Exchange Board, the EU, the OSCE, the Westminster Foundation, the Mott Foundation and the British-Know-How-Fund.

## **EXIT STRATEGY**

**Exit Strategy and Timeframe:** OTI closed its Croatia program in March 2000, handing off its support for civil society to the Mott Foundation, the British Know-How Fund and the USAID Mission.

## Information Annex Topic: Institutional and organizational development

**What the information annex will be used for:** prepare the cross-cutting theme chapter of the FY 2000 Performance Overview. The 2000 revision of the Agency Strategic Plan includes five cross-cutting themes in addition to the six Agency goals and the management goal. It also includes a commitment to report on one of the themes in depth in the Performance Overview each year. Institutional and organizational development has been chosen as the theme to be reported on in the 2000 Performance Overview.

requested:

- \* support for institutional and organizational development is systematically programmed in results frameworks for the majority of Agency OUs;
- \* support for institutional and organizational development systematically cross-cuts Agency goal areas in OU programs;
- \* institutional and organizational development support is provided to public sector, private for-profit and private non-profit organizations consistent with program objectives;
- \* a variety of types of capacity-building (e.g., financial accountability and sustainability, management and

**Guidelines for Identifying Institutional Capacity Development.** An institutional development IR should contain two elements: (1) the name of the overarching institution concerned and (2) the change taking place. IRs Institutions are defined as the "rules of the game" and the measures for enforcing those rules. In other words, for our purposes, institutions refer to the broad political and economic context within which development processes take place. These include policies, laws, regulations, and judicial practices. They also refer to less tangible practices like corruption, presence or lack of transparency and accountability. The rules and norms we are concerned with are political and economic, not social. Not every IR about policy is to be called institutional development. If the IR is about adopting/implementing a specific policy, it is not institutional development-- it falls under the goal area for the sector it addresses. Include only IRs about changing the

**Guideline for Identifying Organizational Capacity Development IRs.** The IR should have these elements: (1) It must name or allude to a specific organization or type of organization (an organization is a group of individuals bound by some common purpose to achieve objectives) and (2) it has to how or what action is

Verifica tion	Objective ID	IR No.	IR name	Indicators	Public sector	Private for profit	Private non-profit
x	160-014		(suspended)				
y	160-021	IR 21.1	Increased capacity of Civil Society Organizations (CSOs)	Overall strength of the NGO sector			y
n	160-021	IR 21.2	Increased vetter informed citizen participation in political processes	Freedom Hous combined average rating			
y	160-021	IR 21.3	More diverse and independent sources of public information	Freedom House press freedom rating		y	
y	160-031	IR 31.1	Enterprise growth and expansion	Number of firms assisted		y	
y	160-031	IR 31.2	Enterprise growth and expansion	Employment growth in assisted firms			y
y	160-031	IR 31.3	Municipalities encourage affectd populations to return to and remain in communities of origin	Number of returns to USAID supported Municipalities.	y		

[illegible]